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# CHILD CARE SERVICES IN TENNESSEE

## HEARING

BEFORE THE

## COMMITTEE ON THE BUDGET
## UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

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NASHVILLE, TN

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# CHILD CARE SERVICES IN TENNESSEE

SATURDAY, MAY 7, 1988

U.S. SENATE,
COMMITTEE ON THE BUDGET,
*Nashville, TN.*

The committee met, pursuant to notice at 9:37 a.m., in room 16, Legislative Plaza, Nashville, TN, Hon. Jim Sasser, presiding.

Present: Senator Sasser.

Staff present: Will Callaway, legislative assistant.

## OPENING STATEMENT OF SENATOR SASSER

Senator SASSER. The hearing will come to order.

I want to thank all of you for being here today to testify on the child care status here in Nashville. I understand that a number of our witnesses were involved in meetings of the Select Committee on Child Care held here this week and I'm hopeful that you can share with us some of the insights that you gained from this meeting. I especially appreciate people taking time out on a beautiful Saturday morning to come here and testify on this very, very important issue.

Last month I held similar hearings on this same subject in both Chattanooga and Knoxville. At both hearings we had a tremendous show of interest in this whole issue of child care. I think this interest stems, I might say, unfortunately, from severe shortages in both the quantity and quality of child care available, not just in the State of Tennessee, but indeed all across the country.

Reports have shown a dramatic increase in the number of working women with children since the early 1970's. Nationwide, working mothers with children under the age of 6 have increased from 30 percent in 1970 to almost 60 percent in 1987. That means that the number of working mothers with children have almost doubled in one generation. In Tennessee, we see more than 50 percent of mothers with children under the age of 6 in the workforce. Think about that just a minute. Half of the mothers in the State of Tennessee with children under the age of 6 are working mothers.

The movement of mothers into the working world has created demand for improved child services. This trend will likely increase over the next few years. In fact, there's no doubt that it will increase. The Governor's Task Force Report on Child Care notes that by the year 2000, both parents are going to be working in 80 percent of Tennessee families.

It's striking to me how our culture and society has changed since I was a youngster, not too long ago. When I was growing up in the 1950's and 1960's, dad worked and mom stayed home and took care

of the children. Now we find that to maintain the same standard of living that one working parent was able to maintain in the 1950's, both parents must often work. In addition, we have the phenomenon of the greatly enlarged segment of our society that consists of single-parent households. So this necessary movement of mothers into the working world has created great demand for improved child care services.

It's unfortunate, but the availability of child care services for these working families simply has not kept pace with these changes. In 1987, the Tennessee Children's Services Commission found that there were 437,000 children under the age of 6 in Tennessee, but at the same time there were only 105,000 available child care slots—so only one child care slot available for every four applicants. Many of these child care facilities provide limited services which simply do not meet the needs of working parents.

These figures clearly show a widening gap between supply and demand in this very critical area. The problem is notably more severe for low-income families. We saw this particularly in Memphis, Tennessee. These low-income families simply cannot compete for the few child care slots which are available. As well, I continually hear of the shortages of care for infants and for handicapped children.

So improving the availability of child care services is definitely a high priority. But we must pay careful attention, not just to the quality of the child care services available, but also to the affordability. A number of bills have been introduced in the United States Senate to address these problems.

It appears that legislation addressing the child care problems will move in both the House and Senate this year, and I want to make sure that the proposals that we're considering address the needs of the local community. I believe this need has reached the level at which it's become mandatory that the Federal Government provide some assistance. That's why I'm hearing from officials of State government here in the State of Tennessee, from officials of local government, and from parents and experts in the field of child care. If the Federal Government is going to play a role in the whole question of child care, I think it's very important that the government's role be one of support and not one of interference.

Today we're looking forward to hearing the views of our witnesses on the current legislation before the Senate and what role, if any, the Federal Government should play in the whole field of child care. I think we've got a good cross-section of the Nashville Community here that's interested in the question of child care. I think each of them brings a unique perspective to the problem, and the testimony that we're gathering here today and the record we're creating will be used in deliberations of the Senate Budget Committee when we're making a determination about what allocations for funding should be made for child care across this country, what the Federal role ought to be and what it can be, given the physical strictures that we operate under. This record will also, I think, provide valuable insights to those members of Senate staffs and the Senators themselves who want to get a broader perspective as to the needs for child care services in a border State such as Tennes-

see and in a growing, dynamic community such as Nashville, Tennessee.

I hope we'll have an interchange today with our witnesses that will underscore the child care needs of Nashville and demonstrate for us how the private and public sector can work together to address this very critical issue.

Our first panel today will consist of Mr. David Glascoe, the administrator of St. Marys Child Development Center, Cary Massey, the director of the Nashville YMCA Child Care Program, and Diane Neighbors, the president of the Tennessee Association on Young Children. If you, Mr. Glascoe, Mr. Massey and Ms. Neighbors, would come take your seats here at the witness table, we are ready to get underway.

Let's begin with you, Mr. Glascoe. I want to welcome you here today and say I thank you for coming out on a beautiful Saturday morning.

## STATEMENT OF DAVID GLASCOE, ADMINISTRATOR OF ST. MARYS CHILD DEVELOPMENT CENTER

Mr. GLASCOE. It's certainly my pleasure, and I thank you for your ongoing interest in the issue of child care, the state of child care in this country and the state of child care in Tennessee. I particularly appreciate and support your recent remarks made in the Senate and I'm grateful to be able to come and testify today.

My testimony will be brief and will follow the format suggested in the letter I received from you several weeks ago. I will focus on the current shortcomings of child care in Tennessee. I'm going to focus on my impression of this bill, particularly the Act for Better Child Care—its impact might have on child care in Tennessee. I want to make a few suggestions that appear to me would make the bill a little stronger.

In regard to the current shortcomings in Tennessee, I think we can identify those as falling into one of three categories. We are desperately short of resource support for child care in Tennessee. We desperately need to improve the coordination of services that already exist and those additional services that might be brought about by a bill such as this, and we desperately need to improve our quality control for existing child care programs.

In the resource area, there is a quantity of data available describing the shortcomings in the Middle Tennessee area and Tennessee as a whole, specifically in Middle Tennessee, beginning about 5 years ago with Dr. Robert Innis's study conducted for the United Way, more recently the Nashville needs assessment, the pieces put out by the Tennessee Children's Services Commission. There are several other reports, and I would imagine the private sector also has quite a number of demographic information that would be very helpful. I don't want to go into all those numbers.

What the numbers tell me is that we don't have enough child care for low and marginal income families. We don't have enough fee subsidy so that low and marginal income families can afford child care, whether that child be an infant, a toddler, a preschooler, a before and after school child, or whether that child be handicapped. There's just not enough subsidy dollars out there. In addi-

tion to that, there's not enough infant and toddler care at any price. Even for those who can afford to pay a little bit higher price, the quality slots simply aren't there.

Although there's been important improvement in the area of before and after school care, thanks in large part to the Y, there still is not enough before and after school care in this area of the State, and there's certainly not enough care for handicapped children, particularly those children with severe handicaps or multiple handicaps—the programs just don't exist. Again, the data is out there to support these facts.

In addition, another item that falls in the area of resource support is the fact that current reimbursement rates either offered by the government or offered by the United Way for providing child care are simply not sufficient. I'm a provider. If we were to have to live on what the State might reimburse us for providing a day of care, we simply wouldn't be able to keep our doors open.

To the issue of coordination, there are a plethora of small task forces that exist all across our State. There are quite a number of task forces, advisory councils and what have you in the Middle Tennessee area, but there principally is no driving central body that coordinates the service delivery for preschool children in this State. We're fairly well-coordinated on the policy end and on the legislative end, again thanks to some of the people sitting here with me. But on the service delivery end, the point where the rubber meets the road, if you will, there really isn't any kind of central driving coordinating team or entity, and that's a real problem.

On to quality control, here I want to say first that there is a terribly dedicated staff in the State. As you know, DHS currently has the responsibility for trying to insure quality controls for licensed child care centers in Tennessee. There is a tremendously dedicated staff in place to do that. The simple fact is that the dollars for quality control, for monitoring, for program evaluation have decreased over the last several years as opposed to increasing. These people are spread way too thin. The result is there's not sufficient monitoring. These people are overwhelmed and overburdened.

In addition, I would think that in the next few years, it would be very, very valuable for the State of Tennessee to be stimulated to improve its licensing standards. Those standards were improved just in the last 12–18 months, but I think if you compare Tennessee licensing standards to, say, a mean licensing standard nationally, we're still not quite there. We're much closer than we used to be. There's still a long way to go.

What effect would this bill, particularly the Act for Better Child Care, have on our situation in Tennessee? In my mind, the role of the Federal Government can be identified in four different categories. I think the government does need to provide basic resource support for programs to serve low and marginal income families. There simply aren't the dollars in this State or in other States to provide the number of child care positions needed for low and marginal income families. So one very fundamental role of the government seems to me would be to supplement what resources currently exist, particularly for low and marginal income families.

Another role of the government in my mind is to stimulate the development of new centers, innovative centers, pilot programs, employer-sponsored child care, family day homes, and the like. The third role that I see the government might play is to stimulate the improvement of quality of care. The fourth, to promote the coordination of child care services.

With those four things in mind, I'd like to go through them specifically and see what the bill does. In the area of resource support, what I understand is calculated for the State of Tennessee would be a wonderful boon to this State in terms of the additional dollars simply available to low and marginal income families. My understanding is what might come available from this bill depending on the appropriation exceeds those dollars that currently exist, so certainly that would have a tremendously positive impact on the delivery of services, again particularly for low and marginal income families.

I particularly like the idea of the child care certificate where a parent might actually just be given a child care certificate so they might choose which child care program they might want to access. I think that improves the overall system.

In terms of stimulating the development of the supply of child care, again another role that I see the government playing an integral part in, the simple injection of these dollars will stimulate more programs. Persons like myself, like Cary, are going to understand that those dollars are there. We all have an idea of what needs to be done. We've all been rather frustrated because our perception is that there's just no place to find the support, the resources, the dollar support that we needed to have.

I think another good part of the bill will be that the State will have to develop a plan whereby they provide grants and low interest loans to programs that might want to renovate and begin child care programs. I think that's a very appropriate measure and certainly an appropriate thing for the government to be involved in.

Will the bill stimulate the quality of care? I think yes, it will, in several important ways. I think the development of national standards for child care is good. It never really made much sense to me that what was good in Tennessee wasn't necessarily good enough for Ohio's children. I never really understood that children had different needs depending on where they lived. I think the very general categories that the bill addresses in terms of trying to identify some standards is very appropriate.

Requiring an advisory committee on licensing will help. The State has had various task forces on licensing in the past and in the present. I think it will help the States comply with the national standards. I think the idea of giving the States 5 years to do so is fair. Yet holding them to that task is also fair. Providing the reduced match, the incentive to go to 15 percent match is a very good stimulus there.

Senator SASSER. Would you repeat that, David.

Mr. GLASCOE. In the bill there's a provision that as the States comply in improving their licensing standards, their match can be reduced to 15 percent as opposed to 20 percent which is what we have going in, and I just think that's a good stimulus. I think States will pay attention to that.

Senator SASSER. What do you think of the matching concept?

Mr. GLASCOE. If the match has got to exist, my reading of the bill as it currently exists is that there is an allowance for private, non-Federal sources to be used. I believe that's in Section 17, subsection 3-C. There is a provision for nonFederal, private dollars to be used. To be honest with you, I think the State of Tennessee, to match Federal dollars, at the level that we're talking about, at 20 percent, is going to need the help of the various United Ways, the various other private sector donor groups that exist. I think there could be a tremendous effort there to coordinate services and bring people together so we could leverage the Federal dollars. The State currently spends no substantive dollars on child care at all. I don't know that much about the inner workings of the State government, but I think it would be quite a task for them to come up with the match. So I'm in favor of broadening that so that part of the match would come from private and Federal sources.

I like the emphasis on the provision of training grants, getting back to the items of quality, the provision of training grants and the increased requirements for training for teachers. I think it's very appropriate that—the State requirement is now 6 hours a teacher, going to 15 hours. This piece of legislation certainly is something I think will have a positive impact on the quality of care given children.

There does seem to be renewed emphasis in the act on the monitoring function, to provide more dollars for those functions, and I think certainly that kind of oversight is desperately needed.

I like the language about increased teachers' salaries in the bill.

Senator SASSER. I like that myself.

Mr. GLASCOE. As an executive who's primary responsibility is to keep doors open financially, that's a little bit harder row to hoe than might appear. I want to comment on that again later.

I think the bill does promote coordination of services by the development of a State plan. I once upon a time worked with refugees in this State, and there was the development of a State plan, a State coordinator and a lead agency, and all those principles that are in this bill worked extremely well in providing services to those newcoming families in this country, and I think it would work well toward providing child care.

I did see several limitations. Again, I just want to be very brief about those. Part of this may be that I need to wait for the regulations—I need to wait for this to be passed and the regulations promulgated. If reimbursement rates are still going to be tied to marketplace reimbursement rates, then we're not going to be able to achieve a lot of what we want to in this bill. We'll be able to increase the quantity of care, but the reality of it is that the reimbursement rates now are too low. If this program, for instance, were to be administered as the block grant dollars right now, those rates are just simply too low to provide a consistent standard of quality. To provide increased teacher salaries, these types of things, we're going to have to try to estimate some greater reimbursement rate than just simply basing it upon what we've always been getting for the last several years.

I think in the increased supply area, as the representative of a sectarian institution, I have a problem with the last section of the

bill, the limitations of the use of capital funds. The language in the bill says "pervasively sectarian." I don't really know what that means, Senator, but I do know, for instance, the Archdiocese of Brooklyn serves 11,000 children in child care every day. It doesn't make sense to restrict the availability of capital funds to strictly nonsectarian institutions. I understand we don't want to build churches with these dollars, but certainly we need to ponder the amount of church related preschool education that goes on in this country and realize that if somebody like St. Marys was not able to access capital improvement dollars, I think it's a disservice.

In the increased supply area, I'm somewhat disappointed not to see any language about employer-sponsored care. I think it is the appropriate role of government to stimulate employers to play a bigger role in providing care for their employees' children. It may be that needs to be a different bill, but there's no reference to that here. I think part of the overall solution to child care is going to be employer-related or employer-sponsored child care.

Those are the major concerns I have. But I think all in all this is a bill we need. We need this bill to pass. We need a substantial appropriation. I know that $2.5 billion seems like a lot of money these days, but we spend more money on storing grain and soybeans and this kind of thing every year. I think it's time to spend that kind of money. I appreciate your time.

Senator SASSER. Two and a half billion dollars is about the price of one nuclear aircraft carrier.

We'll turn now to Cary Massey. Mr. Massey.

## STATEMENT OF CARY MASSEY, DIRECTOR OF THE NASHVILLE YMCA CHILD CARE PROGRAM

Mr. MASSEY. Thank you, Senator Sasser. I'm the Metropolitan Director of Child Care for the YMCA here in Nashville. We're responsible for two preschool day care centers and 46 school age child care centers operated in the public school systems in four counties here in Middle Tennessee. I'm serving 2,000 children today. As well, I am the co-chairman of the Tennessee Alliance for Better Child Care, an association with 13 member organizations and 206 individual members.

Again, I'd like to say I appreciate your interest and efforts on behalf of the children of Tennessee and our country, and especially your willingness to listen to supporters and providers of child care, parents, providers, churches, the people who are out there, as David said, where the rubber meets the road. We believe to provide a solution to child care needs will require all of us working together.

I will not recount the statistics of numbers of children with working mothers nor the number of women in the work force, but I will state that once upon a time there was a choice of women to stay home, as you already alluded to, and take care of their children. That option has all but vanished for the American mother today. As our economy continues to depend on and demand that more and more women work, this issue will continue to escalate and become economic, educational and social issue. I will also reaffirm that the supply of quality child care in our state is woefully

inadequate. There's seldom a week that goes by that I don't get another phone call from a school system, a principal, parent or PTA organization asking how they can get a child care program started in that school. That program has escalated tremendously in the past 5 years.

From an economic point of reference, parents who are not employed become dependent on the State one way or another. Parents who cannot afford child care either will not be able to work or will depend on a less than desirable patchwork arrangement of child care. This provides more undesirable side effects such as children who are not emotionally secure and therefore are not prepared for school either educationally or socially. It leads to parents who are concerned about their children and therefore are not as productive at the workplace. It may be an increase in horror stories that we hear of tragic things that happen to children when patchwork arrangements fall through.

I am excited to see the attention being given to child care by the media, by prime time national television programs, by Federal and State and local legislators, and the business leaders of our country. This attention points to the magnitude of the child care problems and the likelihood that this issue is going to be around for years to come.

With the introduction of several child care bills, Congress realizes it's time that the United States developed a national policy to respond reasonably, practically and responsibly to this pressing need. Of the many bills that have been introduced, I believe H.R. 3660, the ABC bill, is the most comprehensive and the most responsible. It alone calls for and allows for the cooperative participation of State and local governments, the business community, private enterprise, charitable organizations, churches, schools and parents. It alone makes a significant enough financial commitment to impact the affordability, accessibility and quality on a nationwide level. It alone deals with the magnitude of components necessary to address the problem, such as financial assistance to low and moderate income families; multi-level allowances for the difference in cost between infant, preschool and school-age care; the allowance through the voucher system and national-state standards for participation of private providers, family day care homes, group homes, schools, churches and not-for-profit providers; improved accessibility by resource and referral agencies; improved training for caregivers; improved wages for caregivers; minimum health and safety standards to insure the well-being of our children; and incentives to providers through low-interest loans for start-up or renovation.

H.R. 3660 does not have all the answers. It will not satisfy everybody. It will not be flawless in its implementation. However, it's the only bill that addresses the broad based multi-faceted problem.

My conclusion is that this problem requires that we all work together in the best interest of the children of America. We must recognize that it's far less expensive to build a fence at the top of a mountain than to put hospitals, ambulances and doctors at the bottom of the cliff to treat those who go over the edge. It's far less expensive to our Nation to assist in providing quality child care than the cost of not providing it.

Senator SASSER. Thank you very much Gary.

[The following was submitted for the record by Mr. Massey:]

**SENATE HEARING**

**May 7, 1988**

**Senator Jim Sasser**

1. The Role of the Federal Government in Child Care.

First of all, neither the Federal, state, local government, private enterprise, charitable organizations, public schools, nor the general public can solve the child care problem by themselves.

Secondly, I feel the role of the government should be threefold:

1. To provide financial support to the states that goes directly to the source (the families that cannot afford child care in order to get a job or keep a job).
2. To provide technical assistance to encourage more child care providers to get into the business of quality child care.
3. To provide guidance for states to insure that providers meet minimum standards that insure quality and safety for our children without overburdening the provider with unreasonable rules and regulations.

I feel the Administrator for Child Care could be of tremendous service to our country if he/she is not overly

bureaucratic and not too far removed from the practicality of bringing the provider with the service together with the parents and children who need quality service.

2. Handicapped and Infant Care.

The fact is, care for both these groups is considerably more costly, mainly due to smaller ratios (which are essential) and special training.

We have had some success at the YMCA with "mainstreaming" some handicapped school age children. With a little extra effort and education on the part of staff and non-handicapped children, the introduction of moderately handicapped or "emotionally secure" handicapped children can be a great learning experience for the staff and other children. Severely handicapped children and infants simply require a great deal of staff attention in order to help them develop.

3. State Advisory Committee - Minimum Standards.

If the Advisory Committee is comprised of providers and consumers of child care as well as academicians, politicians and bureaucrats, then a sensible solution to health and safety problems should be workable.

However, if the states have no input at the Federal level, or if the Federal standards are determined without

input from providers and consumers, then there could be some serious problems.

There must be some coordination of the rules and regulations imposed by various state regulatory agencies; i.e., Departments of Fire, Health, Codes, Environment, Human Services, etc.

4. School Age Child Care in Public Schools.

The school facilities are a natural for this program. However, certain factors must be considered.

1. School age child care is not an extension of the school day and should not be allowed to be so. (However, assistance with school-assigned homework should be available for a "short" period of time each day.)
2. School teachers and administrators have more than their share of responsibility for the education of our children. They should not be expected to provide child care after a full day of teaching.
3. Shared classroom space, child care part-time and school class part-time, is difficult at best. An effort must be made to avoid shared classroom space where possible and to educate all parties on their responsibilities when sharing is necessary.
4. Except for buildings, the child care program must be financially independent of the school education

program to avoid the public appearance of education suffering to subsidize child care.

5. Most school systems would prefer not to have the added responsibility of child care and recognize that it can be provided by a recognized, responsible third party at a lower cost. There are school systems with a unique blend of personalities, facilities, outside staff availabilities and circumstances that would be conducive to running their own child care program. In these cases, such as Murfreesboro City Schools, this should be encouraged. Partnerships between the school systems and agencies/organizations deemed by the school system as having the ability to deliver a quality, affordable program should also be encouraged.

Senator SASSER. We're going to turn now to Diane Neighbors who is the president of the Tennessee Association of Young Children. Ms. Neighbors has been very active in establishing child care programs in the Nashville area and also around the whole State. We're looking forward to hearing what you have to say this morning, Ms. Neighbors.

## STATEMENT OF DIANE NEIGHBORS, PRESIDENT OF THE TENNESSEE ASSOCIATION OF YOUNG CHILDREN

Ms. NEIGHBORS. Thank you. My name is Diane Neighbors and I'm President of the Tennessee Association on Young Children. Just to give you a brief overview of that organization, we are a State-wide group of early childhood educators and caregivers. We have 18 local associations across the State and our membership represents for-profit, not-for profit, church-related, public school related, United Way, a variety of programs. We are 33 years old, and for those 33 years we've been concerned with the quality of care and services that families receive. For the last 10 years we have been truly concerned about the availability of affordable quality care.

We've had some improvements over the last few years, but not enough, because government policy-makers have not kept pace with the needs. They have not responded. As a profession, early childhood education is still struggling to be recognized as that, as a profession. Many of our teachers have degrees, bachelors, masters, but because they aren't in a public school setting, they are considered second-class educators, regardless of the research that shows how important those early years are.

I guess one of the most frustrating things are those folks that deny that there is a child care crisis. They label day care as communistic, as socialistic, that child care is solely the responsibility of the parents and that government should not interfere. They deny the crisis.

I've been a consumer, I've been a teacher, and I've been a director, and I know first hand that the crisis is there. The day we found out we were pregnant, I put my name on a waiting list for a program that my child would enter when he was 2 years old. Then I started looking for an infant program. I found one 1 week before my 3 months of maternity leave ended. It took me a year to find placement for an infant. He's now in an after-school program and we're looking at the summer. Where is he going to be and how much is it going to cost.

When I was a director, I directed in both urban areas and rural and I agree that kids' needs are the same. It doesn't matter if they're in Colorado or in Clarksville or Nashville. Children's needs are the same and the problems are the same. There's just not enough care out there. Programs have very long waiting lists, and most of the time, for the majority of working parents, the tuition is too high.

When you're directing a program, you have to do a juggling act. You have to keep the tuition affordable, you have to provide quality care, and you have to pay the teachers respectable wages with

benefits, and that's very hard to do without a subsidy from someplace, in fact it's almost impossible.

As a society, we subsidize public education heavily. We fund special education programs. We fund juvenile corrections programs. In Tennessee, we have one of the highest school drop-out rates in the country. Our teen pregnancy rate continues to rise. We have a problem with literacy. But many of our preschool kids are never read to. They never see their names in print, and these are all activities that promote reading. But we keep ignoring that; we put band-aids on problems that truly have solutions.

Quality child care is preventative, and it is cost-effective. We have research that shows that kids that are in quality early child care programs are more likely to finish high school, are more likely to continue their education, to find a job and be self-supporting. Those kids that were not in the quality care programs were more likely to be in special education classes, to become juvenile delinquents and be teen parents, but we continue to ignore that research as a society.

It is expensive, any provision of child care is going to be. But if we don't pay now, we're going to pay dearly in the future.

I think the House Select Committee on Children, Youth, and Families reported that for every dollar you invest on quality child care, the return is $4.75 in savings in special education classes. When you look at what match is required in Tennessee and what savings they could experience because of that investment, it's ludicrous to me that they would turn their back on it. But like David said, that is going to be the biggest problem in Tennessee, the State match.

Parents want to work, they have to work, but they're locked out of the work force because of the lack of child care. It's estimated, I think, by the year 2000 that 50 percent of the work force will be women. Progressive companies are already offering child care benefits, on-site child care centers, to attract those women, to get them there and to keep them.

By the year 2000, many of the preschool children we have today are going to be entering the work force. When you look at what their future possibilities might be, it's also distressing. Today, one in four of our preschoolers is poor, one in three is non-white and 40 percent of those kids are poor, one in five is at risk of becoming a teen parent, and one in seven are at risk of dropping out of school.

These are the kids that are our future work force. These are our future policy makers. And these are the kids that are going to be taking care of you and me, and that's frightening.

For the last 17 years I've been in this profession, and at times it is very depressing. You get very frustrated, especially after a week like we've had this week, with the Select Committee hearings and some other meetings that have gone on. But I think the time is right for child care. There are numerous bills before the Congress, and our feeling is, our hope is that something positive is going to happen for young children in Tennessee.

TAYC strongly supports the ABC legislation as the most comprehensive bill before Congress. It does not discriminate against for-profit programs. With an amendment, it would not discriminate against church-related programs in terms of the renovation money.

And as some groups have said, it does not subsidize yuppie couples. It is fair for working poor people and for poor people and for the children of those parents.

I think in Tennessee we can come up with the match. We have to be creative in some funding sources. I think Governor McWherter is very supportive of improving services for families and for businesses, and he has stated early on that child care is a priority.

We recently passed a bill that would allow public schools to be used for before and after school programs, and that is a marvelous first step in meeting the needs of latchkey children. But now we have to encourage those schools and support those schools to create appropriate programs. School age kids don't need a homework room from 3–6 p.m. every day. They need opportunities to relax, for fellowship and for recreation. We must take the second step now to make sure that those programs are age-appropriate and that they're available to all families. Is there a sliding-fee scale, or is there a flat rate for all kids to enroll in those after school programs? Who are they serving? Are they serving the yuppie couples, or the ones that don't have the car to come and pick them up at 6 o'clock when bus service is not available?

The quality of the program is determined by the philosophy but it is regulated by the standards. Standards are crucial to providing quality care. In Tennessee, our standards are reviewed and revised every 5 years. Hopefully, they are improved every 5 years. Some of those regulations outlined in the ABC bill we're already meeting. We have an open-door policy. We have written policies for parents. We have a hand washing regulation. The one area we would need improvement in is our teacher-child ratios, but we're almost there. Even the ABC ratios aren't quite what are required for national accreditation as a quality child care program.

Our children really deserve the best. In Tennessee, we're getting ready to have the biggest road construction project in our history. We've never spent as much money before as we're going to spend on roads in the coming years. We have to have the roads. We have to have them for the economy and we have to have them for the jobs. But who is going to take care of the kids the workers bring, that fill those jobs? Our children deserve an equal investment, just as much as our highways do and just as much as our national defense does.

We appreciate your efforts, Senator Sasser, in holding these hearings, and hope that you will share your findings with Governor McWherter and the State legislators since they have not had the opportunity to hear as much as you have over the last few months.

I'm not saying the Federal Government should do it all. They have to provide the leadership for the States. It's going to take a cooperative effort. Private businesses and employers can't do it all, and churches can't do it all. We're all going to have to work together. I think the ABC legislation is the first step. We have to have the child development specialists and the training.

We have to be involved to protect our future because our children certainly are our future. We really urge your support of that bill. Thank you.

Senator SASSER. Thank you, Diane. You make some very important points.

[The prepared statement of Ms. Neighbors follows:]

Sasser

Nashville Public Hearing on Child Care May 7, 1988

Good morning. My name is Diane Neighbors and I am president of the Tennessee Association on Young Children (TAYC). TAYC is a professional organization of early childhood educators and caregivers with 18 local associations statewide. Our membership comes from a variety of settings including not-for-profit, for-profit, United Way, church-related, and public school programs. TAYC was formed 33 years ago and we have always worked to improve the quality of care and services provided to children and families. For the past ten years we have been concerned about the availability of affordable, quality child care.

There has been some improvement, but not enough to meet the needs of families and children. Child care needs have basically been ignored by governments, policy makers, and society. Early childhood education is still struggling to be recognized as a professsion. We have known for quite some time that the early years in a child's life are the most critical in terms of development. Many teachers in child care settings have degrees in child development or have advanced training, yet because they do not teach in public schools their role is considered second class.

There are many who continue to deny that there is a child care crisis in this country. They claim that child care is communistic or socialistic. They insist that child care is the sole responsibility of the parents and that governments should not interfere and the need for more and better child care does not exist.

I am a consumer of child care. My son is seven years old and currently attends an after-school program. The day we learned that we were expecting, I placed my name on a waiting list for a two year old program. Then we began the search for an infant program. We finally found a caregiver one week before my three months of maternity leave ended.

I have directed a variety of programs in both urban and rural areas. The needs children are the same regardless of income and the problems of the parents and the community are basically the same. There is not enough care to meet the needs. Centers have long waiting lists and the cost is frequently too high for some working families.

As a director one is constantly involved in a juggling act--- how to provide a quality program, pay staff respectable salaries with benefits, and keep tuition affordable. Without subsidy a balance of these components of quality child care is impossible.

Our society subsidizes public education, yet we send children into our schools ill-prepared and already behind. Tennessee has one of the highest school drop-out rates in the country. The number of teen pregnancies has risen dramatically. We fund transition classrooms and campaigns against illiteracy. Many preschool children are never read to or never see their name in print. These activities are basic to learning to read.

We continue to focus on problems rather than solutions. We supply band-aids for problems which have solutions. Quality child care services are preventative and cost-effective. Longitudinal studies support that those children who have participated in quality early child care programs were more likely to finish high school, continue their education, and find employment, and be self-supporting. They were less likely to be involved in special education classes, to become a teen parent, or be involved in juvenile delinquency.

Providing child care is expensive. However, we all are going to pay dearly if we do not acknowledge the current crisis and act to support families.

The House Select Committee on Children, Youth, and Families reported that one dollar invested in preschool education returns $4.75 in savings because of lower special education and welfare costs, and higher worker productivity. In Colorado, DHS determined that providing child care assistance to low-income families so that they could be self-sufficient costs only 38% of what is costs to provide AFDC and Medicaid benefits.

The majority of parents want or need to work, yet they are locked out of the work force because of child care that is not available or is too expensive. Employees need workers but the pool of available workers is decreasing while the want ads increase.

How long can we ignore these numbers and the needs of parents and children? We are an aging society. A smaller number of Americans will be entering the workforce. Competition among employers for the "best" will get tougher in the coming years. By the year 2000, women will account for 47% of the work force. Progressive companies are already offering perks such as on-site child care to attract and keep women. By the year 2000, many of today's preschoolers will be entering the work force, but a look a today's children and their future opportunities is distressing:

1 in 4 is poor
1 in 3 is non-white; of these 40% are poor
1 in 5 is at risk of becoming a teen parent

1 in 7 is at risk of dropping out of school.

These children are our future workers, our future decision-makers, and the ones who will care for us.

I have been involved in child care for over 17 years and at times the situation is depressing . However, the time for child care is now. National attention is focused on the child care crisis. Child care is mentioned frequently in the media and in campaign speeches. There are numerous bills in Congress addressing children's issues and our understanding, or may be our hope, is that something positive is going to happen for young children and working parents.

TAYC strongly supports the Act For Better Child Care as the most comprehensive bill currently before Congress. Federal support and leadership is needed to assist states and families in addressing child care needs. ABC does not discriminate against for-profit or church-related programs. This legislation does not subsidize day care for yuppie couples. It does provide support and flexibility to states and choices for families including assistance for poor and working-poor parents. In Tennesse the biggest obstacle seems to be the state match. However, Governor McWherter has stated that child care is a priority and I sincerely feel that he is willingly to explore every opportunity to help working families and businesses. If one can apply the formula used by the House Select Committee on Children, Youth, and Families to the $10 million dollar match or investment required of Tennessee, our State would show a return in savings of $47.6 million dollars.

Tennessee recently passed a bill allowing public schools to be used for before and after school programs. This legislation is a first step in meeting the needs of "latch-key" children. Schools will now have to be encouraged and supported to create appropriate programs which are not just an extension of the regular school day. Children do not need "homework rooms" from 3 to 6 p.m. They need a home-like atmosphere with opportunities for relaxation, recreation, and fellowship. We must take the second step to guarantee that the programs are age-appropriate and available to all families regardless of income.

The quality of a program is to some extent determined by philosophy and regulated by standards. Standards are crucial to providing quality child care. In Tennessee, we have an advisory committee which reviews and revises our child care licensing standards every five years. Hopefully, each time the standards are reviewed, they are improved. Tennessee currently meets many of the standards described in the ABC legislation. The teacher/child ratios outlined in

the ABC bill are below those required for national accreditation as a quality child care center.

Our children deserve the best. In Tennessee we are beginning the biggest road building project in our history. The roads are essential for jobs and the economy. We must ask who will care for the children of the workers that the roads bring. Do our children deserve less of an investment than our highways or our national defense?

TAYC sincerely appreciates your efforts, Senator Sasser, as you have listened to the concerns of Tennessee. It would be extremely beneficial, if you would share copies of your findings and testimony with Governor McWherter and our state legislators.

Meeting the child care needs of working parents and those who wish to work cannot be accomplished by the Federal Government alone. Everyone's help is needed. State and local governments, corporations, small businesses, public schools, and child development specialists must be involved in order to protect our future, our children. Our children are our national defense.

Senator SASSER. There are a few questions that come to mind that I'd like to address to the panel at large and get your response. David, you indicated that it's your first priority, as far as you were concerned, as I understood it, that the Federal legislation would be helpful to low and marginal income families.

Mr. GLASCOE. Yes, sir.

Senator SASSER. Do you think that should be the primary thrust of Federal involvement in the whole issue of child care?

Mr. GLASCOE. Yes; that's the way I see it.

Senator SASSER. What does the rest of the panel say about that?

Mr. MASSEY. I would agree with that as being the primary thrust. There are actually three key elements that I see in that particular bill. That would be the primary thrust. Technical assistance to the States in terms of insuring the providers provide quality care and matching up those providers with the folks that have the need would be a second. Third, guidance for States to insure that standards are standard across the country and that the quality is there.

Ms. NEIGHBORS. I agree the Federal Government does have to take the lead in setting those standards. Many States are not going to do it unless they have that encouragement and support and the financial subsidy that the ABC legislation would provide.

Senator SASSER. When we talk in terms of technical assistance that the Federal Government would provide, could you spell that out to some degree.

Mr. MASSEY. I think I alluded to that.

Senator SASSER. Both you and David, if I'm not mistaken.

Mr. MASSEY. Yes; I think from a technical assistance standpoint, there are so many avenues, so many different agencies and groups, organizations that are interested and willing to be providers. I think the States have a tremendous burden, as David has already alluded to, in terms of being able to monitor that and having the technical resources to help a group home, a family day care home. A small operation is not a major change to know what quality is, to participate in training. It's extremely difficult for a group home or a day home to get those training components. Those kinds of monitoring and technical assistance organizations that might come down through the States will be tremendously helpful in coordinating that network of providers.

Senator SASSER. The ABC bill, I gather all three of you are in support of that. Ms. Neighbors said she was. I gather you have some reservations about sectarian provisions of the ABC bill, is that correct, David?

Mr. GLASCOE. Diane's always been a couple of steps ahead of me. I've not read the amendment she's referring to. I don't have any problems with the sectarian language when it comes to discussing what's to be done in the classrooms, but I was talking specifically about the availability of capital funds. But I am wholeheartedly in support of the act for Better Child Care, as opposed to any other legislation that's been proposed.

Senator SASSER. This Act for Better Child Care calls for a State advisory committee to be brought together to devise a State plan,

and this committee will meet and deal with the issue of minimum standards which are referred to and called for in the legislation and will be called for nationally. Do any of you three foresee so called minimum standards creating problems here in Tennessee?

Mr. GLASCOE. I really don't think that will create significant problems. I think mostly there will be psychological problems of independent volunteer Tennessee types not wanting to have anything imposed on them from the feds. I think mainly the perception of the imposition is the major problem. When you look at our licensing standards, as Diane said, getting to ABC minimum requirements I don't think is a quantum leap. I don't think it will be an economic or financial catastrophe or anything like that.

Mr. MASSEY. I don't think that particular issue will be a major problem, particularly if that advisory committee is comprised of both providers and consumers, as well as the academicians and politicians both at the State and Federal levels. I think a key factor is going to be the coordination of all those regulatory agencies, Health and Environment, the fire codes, codes and zoning, Department of Human Services. Each of them have a set of regulations, some of which are superimposed on each other or negate each other. So that coordination effort is going to be massive. I think that's essential in making the standards do what they're designed to do. I think all providers are supportive of minimum standards for the health and safety of children as long as they make sense rather than work against child care.

Ms. NEIGHBORS. As I mentioned in my testimony, Tennessee already has an advisory committee that reviews standards every 5 years, and this falls in beautifully with the time frame for the ABC legislation. When you hear folks talk about frustrations that they have in becoming a licensed program, 90 percent of the time it is not with the standards that DHS has. They have problems with fire regulations, with zoning regulations, with liability insurance. It is not the teacher-child ratio or any of those things that are really the problem for providers in Tennessee. It's duplication of fire safety standards and the lack of liability insurance that are the main barriers to more child care right now, not the standards.

Mr. MASSEY. You probably heard superintendent Jones in Murfreesboro allude to that, those code issues. When you do the academicians and politicians both at the State and Federal levels. I think a key factor is going to be the coordination of all those regulatory agencies, Health and Environment, the fire codes, codes and zoning, Department of Human Services. Each of them have a set of regulations, some of which are superimposed on each other or negate each other. So that coordination effort is going to be massive. I think that's essential in making the standards do what they're designed to do. I think all providers are supportive of minimum standards for the health and safety of children as long as they make sense rather than work against child care.

Ms. NEIGHBORS. As I mentioned in my testimony, Tennessee already has an advisory committee that reviews standards every 5 years, and this falls in beautifully with the time frame for the ABC legislation. When you hear folks talk about frustrations that they have in becoming a licensed program, 90 percent of the time it is not with the standards that DHS has. They have problems with

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Mr. MASSEY. You probably heard superintendent Jones in Murfreesboro allude to that, those code issues. When you do the child care in a public school, it's OK to have school 6½ hours a day for 800 children and it's perfectly safe; but when you keep 25–30 of those same children that afternoon for 2 more hours, that school building becomes unsafe because of the fire codes because you call that "child care". So you can't license that center because of the way a door swings, because a window opens out instead of in. Those kind of things are where the different regulatory agencies don't mesh. I think that coordination will be the key.

Senator SASSER. Let me just explore with you for a moment this whole question of the role or proper role that the Federal Government could or should or can play in providing child care. Now, this Act for Better Child Care would create an administrator for child care in the Department of Health and Human Services. What do you think of this proposal, having an administrator for child care in the Department of Health and Human Services?

Mr. MASSEY. Again, I wouldn't be opposed to having an administrative office in the Department of Health and Human Services for child care, as long as that office is in touch with the people who need the service and the people who provide the service. If he becomes over-academic or over-bureaucratic or if he is so segmented or detached from where the program is delivered, it's a disservice. I think he should stay in touch with the people where the service is and where the service is needed. Then that would be a tremendous help to us.

Senator SASSER. How can we make sure that occurs? In other words, that seems to be almost an occupational hazard many times in creating a position of an overall administrator of something. The administrator develops a staff. They tend to develop all sorts of bureaucratic rules and procedures. Over a period of time, the bureaucracy they create is more intent on serving the needs of the bureaucracy than serving the needs of those it was created to serve.

Mr. MASSEY. That does seem to be the nature of the beast. Again, I think the issue ought to be developing that office to be where its advisory people, its staff, are not necessarily strictly academicians or strictly from the departmental level. They come from the ranks of people who know what is to be done, the child care experts, deliverers as well as the consumers. They need those advisory counselors. They need to have that kind of contact with the people who need the service as well as the people who deliver the service.

Senator SASSER. What we need is somebody who's been down where the rubber meets the road, as one of you said a moment ago, and doesn't have their head in the clouds with regard to the whole question of child care.

Mr. MASSEY. I think that's the key.

Senator SASSER. Sometimes it's difficult to find those people.

Mr. GLASCOE. I think the provisions of the act in describing and giving this administrative job description are a little bit more detailed than I noticed in other pieces of legislation. As that administrator is going to be responsible for oversight of this standard development process and the monitoring of those standards, I think that's very, very appropriate. My major concern, other than the one about the natural tendency to bureaucratize everything, is that the Federal Government already provides substantial dollars for child care. Sometimes I think as we discuss this, we think that the feds have never gotten involved in funding child care before, but through the Social Services Block Grant and even to a lesser degree the Community Services Block Grant, Federal dollars subsidize child care in Tennessee. I would hope that there be some distinct efforts of coordinating the efforts entailed in the Social Services Block Grant and whatever bureaucracy might result as a result of passing this bill.

Ms. NEIGHBORS. Just creating that position is in a way giving credibility to the whole child care issue. It is finally making a statement that it is a priority issue for this country. I guess within the last 2 years, Tennessee finally created the position of director of day care services in the Department of Human Services, which gave it a better footing and it's no longer the stepchild of State government, and I think that would be a statement for the Federal Government too, to create that position.

Senator SASSER. I think that's a good thought. We see other groups in our society, the veterans now, moving very vigorously to have the Veterans Administration made a department of the Federal Government, and to have a secretary of veterans affairs, who would have cabinet status. They feel that this would allow veterans affairs to be highlighted and give their leaders more credence, I suppose, a higher priority, if the individual that ran veterans affairs sat at the cabinet table with the President. Along with the Secretary of State, the Secretary of Defense, the Secretary of Commerce, you'd have a Secretary of Veterans Affairs. So I tend to agree with you on that matter, Ms. Neighbors. I think it would be a recognition that this is an area deserving of an administrator that deals particularly and exclusively with the problems and matters of child care.

Parents come to me in some of these hearings, and the wife will say, "I stay home and I look after children just as my mother did, and we made the considered decision to do this, and we are lowering our living standard in order to do it, and we don't see why others, where both parents choose to work and have a higher living standard—why the Federal Government should come in and help them with their child care problems." How does the panel react to that real concern on the part of some of the parents?

Mr. MASSEY. Whoever addressed that issue to you, Senator, if you would either send them to either myself or David, we'd be glad to take them and show them some families where it's not a choice whether they have to work or not, but the issue is putting food on the table. It's not a matter of cutting back on the standard of living; it's a matter of survival. Again, I think the ABC bill takes precautions not to provide assistance to the yuppies, the upper class, the upper middle class, but it zeros in on the people who

don't have those choices, who don't have those options. These are not people who are both working just so they can have a boat and have a house on the lake. They're working so they can pay the light bills and put food on the table.

Senator SASSER. Is that the considered judgment of this panel with regard to this bill?

[The panel indicated agreement by nodding their heads.]

Senator SASSER. Well, I agree with you and that's the response that I attempt to make, that the bill is fashioned in such a way that it does principally aid low income family situations where work is necessary. In the other side of the coin, I'm many times approached, mostly by mothers, single parent families, who tell me that if there were some type of very economical child care available, that they could join the work force themselves, but they stay home now and get Aid to Famileis with Dependent Children payments and other types of welfare payments simply because they can't find a job that they can work and at the same time afford child care payments for their children and still keep body and soul together financially. So that's the flip side of it. If we had an adequate child care bill that dealt with the problems of low income families, particularly single parent families, I believe we'd see a lot of mothers moving off of welfare and into the work force because it would make economic sense for them to do so, and I think that perhaps their children might be getting as good or better care in a child care facility than they could give them themselves.

I'm a strong believer in developing these child care facilities, I think, Ms. Neighbors, for many of the same reasons that you've cited. I've seen child care centers in Memphis, Tennessee, in which the children are brought in there at the age of 2 and 3 and they're just like little animals. They don't even know they've got a name other than Raz or Tad or something like that, don't know they have a last name. They have no sense of self-worth, no sense of place, no sense of the value of themselves at all, and there is a remarkable change that takes place in these children who are almost infants, after just 6 months of skilled adults dealing with them, it's truly remarkable. It really reaffirms your faith in the human spirit, I suppose.

Well, thank you all for being here today. We've got a number of witnesses to hear and have got a lot of territory to cover. Thank you for coming and your views and comments have been very, very helpful to us.

We're going to take about a 5-minute recess here. Then we will reconvene and begin with our next panel.

[Recess.]

Senator SASSER. The hearing will resume and will begin now with our second panel, which will consist of Nancy Menke, Executive Director of the Tennessee State Employees Association, and Linda Dunn, who works with the permanent General Insurance Child Care Facility. Ms. Dunn is the parent of two children.

We'll begin with Ms. Menke.

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## STATEMENT OF NANCY MENKE, EXECUTIVE DIRECTOR OF THE TENNESSEE STATE EMPLOYEES ASSOCIATION

Ms. MENKE. Let me first thank you for your interest in this very important area and for the opportunity to visit with you a few minutes this morning about it.

As you stated, I do represent the Tennessee State Employees Association. Affordable, quality, accessible day care is one of the highest priorities of our membership. We've had some gains in that area at the State level this year, for which we are most appreciative.

One of the things that is important to keep in mind is that more than 90 percent of the State's employees make less than $27,000 a year. With that in mind, when we say "affordable day care" we're not looking for Cadillac plans, but rather a dependable Chevrolet or Ford. It would be nice if everyone could drive a Cadillac, I suppose, but that's not always possible. It's the difference, again, I suppose, between a gourmet dinner and good home cooking.

Our employees want somewhere they can take their children that they can afford to pay for, that they can get them there and pick them up in a reasonable amount of time, and that they can feel comfortable while they perform their work duties.

As I said, we've had some advances this year because of some initiatives that the Governor has had. One of those has been the development for a pilot day care program for our employees in Davidson County. We're very pleased about that. There have been a lot of improvements in that particular program since its inception.

We have a provision now through Governor McWherter's efforts to assist those individuals whose incomes are below $20,000 a year. We would still prefer to see a sliding scale for all parents rather than just those at that level, but we're still working on that. We also have a cafeteria benefits plan that the legislature has seen fit to approve this year that was initiated by the Governor that will help employees take their day care costs, as you are well aware, out of their pre-tax rather than their post-tax income. Then the Governor's initiative for the before and after school day care is something that's of great importance to us.

We will be encouraging our membership to encourage their local school boards to take advantage of that. I have a feeling that the public schools feel like they have undertaken a vast majority of tasks on behalf of society and they may be reluctant somewhat to get into yet another area, but it's one that can be extremely valuable not only to State employees but to all citizens of the State. I think that's an area that Federal incentives might play an important role.

All of the day care issues can be interrelated, I think, to early intervention programs, and I was glad to see some of those things mentioned in the bill. I think they can also be related to the needs of children who need additional services or who need supplemental help. Not only do I represent State employees now, but I have been a public school teacher and I have been a principal of an elementary school dealing with parents from all walks of life. I am very familiar with the needs of those particular children.

We are interested in furthering the pilot day care program to aid other areas of the State where most State employees are located. We are also interested in seeing the State look at in future building plans for State office buildings some automatic inclusion for day care provisions. Some of the items listed in the ABC bill that relate to private businesses, I think could as well relate to the State in encouraging them to provide such space in their office buildings and also in encouraging them to administer their own day care programs.

One of the things in the bill that I noticed that dealt with paying market value, being sure that that was done for those providing child care services—I would hope that not only the State but any other child care centers that are an outgrowth of this would look at creative ways of trying to reduce costs rather than maintain them at the present level. One way I think that could be done is—I noticed a scholarship provision for those who would be interested in adding child care credentialing.

There are not a large number of people who are interested in early childhood education, but those who are could benefit from an internship program and day care centers could benefit from having those individuals involved in that kind of program. I wouldn't be at all surprised if the work-study programs in our universities couldn't be extended to do something along these lines. I think there are a lot of ways that the needs of those who are trying to get trained and the needs of those who need appropriate child care can be dovetailed to some extent.

A problem that State employees have that not all workers have is shift work, and I don't have a solution for that. Not very many day care centers are available for those who may work other than the standard 8:00–4:30 shifts, but some provision needs to be made. I would imagine that would almost have to be through some kind of individual incentive.

Summer care—I think one of the panelists mentioned something about that. Some community recreation programs are expanding their services in order to offer summer care for school-age children in particular. That's another area I think could benefit greatly from some Federal incentives.

I think it's important that the legislation, which hopefully will eventually be enacted by the Congress, be flexible in its funding sources. It may not be possible for States such as Tennessee to come up with the necessary funds, certainly in a complete 20 percent match, and if there is some flexibility in allowing funds to be available in ratio to what monies are committed to the program for the State level, I think that would be important. I also think it would be proper to allow for additional sources of funding for the State rather than State dollars itself, for example, if private contributions could be polled for the effort of doing that. In other words, not have an all or nothing approach, be flexible with what States are able to do.

I think the cost of liability insurance has been a problem for many day care centers. There may be some guidelines, some incentives that the Federal Government could help the States pursue that could make that a more affordable issue for those who are offering day care. I think one of the gentlemen in the previous panel

mentioned the codes restrictions. That has been an issue in the before and after school day care, that the building is safe for school age children during school hours but then additional restrictions after school. I think that's also a problem and one that a lot of work has been done on here in Tennessee.

It's important that any kind of program keep the emphasis on the human factor and the means available to keep the bureaucracy to a minimum. I noticed that there was 10 percent, I believe, set aside for administrative costs, and one would hope that the rest of the funds would go directly into providing the services necessary to keep the red tape as little as possible.

This is an area that doesn't relate directly to State employees, one which I don't see particularly addressed in the bill, but just a personal thought of mine, as I said, having worked in the public schools before and having worked with low income housing. It would seem to me that if when such housing developments are built, if there were facilities considered for day care services in doing that, and possibly an opportunity for parents to help themselves. They may pay a minimal amount and then they may volunteer some time of their own to help in the day care program when they are not in fact working. I think that not only would help them afford this service and make it accessible to them, but it would also give the opportunity for training them in parenting skills, and I think that could be a very beneficial thing all the way around, and it's certainly a role that would be appropriate for the Federal Government.

Senator SASSER. Thank you very much, Ms. Menke. I'll have a question or two I'd like to ask you in just a moment.

Ms. Dunn, we'd like to hear from you now, if we could, please.

## STATEMENT OF LINDA DUNN, EMPLOYEE WITH A CHILD AT PERMANENT GENERAL INSURANCE CHILD CARE FACILITY

Ms. DUNN. My name is Linda Dunn and I work for Permanent General Company as an executive secretary. I have both of my children in our day care and I do work with them in the capacity of a secretary and also in planning activities. I came to work for Permanent General during the final planning stages, and it's real neat to watch the remodeling of our building and the installation of the playground equipment for the children's use.

I immediately brought my son into the day care, and I've had a sense of security knowing that he was with me there every day when I went to work. It also reduced my driving time and the cost of driving, because I didn't have to go to one place, then to work, back to the day care to pick up my child before going home.

Last year I had another child. I put her in there at the age of 6 weeks, and having a day care facility on the premises allowed me to go in and feed her lunch or check on her, peek in and see what she was doing and what new things she'd come up with.

In case of an injury, I can walk from my desk right into the day care and check on my child and go back to work, where before I would make a decision whether or not to drive several miles to check on my child, then go back to work, and it does make quite a bit of difference in being able to perform my job duties.

For Permanent General, it has reduced tardiness of the employees. It has reduced absenteeism. Parents don't have to worry about missing work because our sitter gets sick or goes on vacation, or trying to make other arrangements at the last minute. For us employees, we've also had increased productivity and we're just happier in our jobs because we have our children right close by. It's also reduced turnover. It's going to take a lot for me to look for another job. For one reason, I like my job but having the day care right there is a big help.

A lot of parents in the area are seeking out employment where there is child care available. People have come to us because we do have the day care on the premises. I feel in general we so need more quality day care at an affordable price, and that is not a contradiction. I think we can have the quality at affordable prices with some help either from the Federal Government, at the State level, or from private industry helping out.

Many parents can't afford day care. People on minimum wage who have one child, half of their salary could go for day care itself. I had my son in church-sponsored day care and two commercial centers before going to work for Permanent General, and it is totally different having him right close by, but the other centers that I've had him in have taken good care of him.

Children need a routine. Children need discipline, and children need to be taught to play with and work with other people at a young age, even before they go into kindergarten and first grade.

I do appreciate your interest in this issue.

Senator SASSER. Thank you very much. I am interested in the whole issue of day care being provided at the work place.

Ms. Menke, could you elaborate on your experiences in the development of a child care facility for State employees here in Nashville. Just tell us how that came about. What problems were there in putting it together and how do you think it's working?

Ms. MENKE. There has been great interest since Davidson County is a primary location for State employees. There is more than 16,000 State employees in this area. Our Davidson County chapter and our State board has been very involved in pressing various administrations to do something about this problem, and it wasn't until Governor McWherter took office that some sincere interest was given. Commissioner Ment of the Department of Human Services worked very hard, she and her staff. They were fortunate enough and able to find a new State office facility being built for the Department of Human Services, in fact, and were able to secure enough space just in the nick of time, I think, to use it for the child care center.

There have been a problem or two because of maybe lack of involvement and because of the cost. I think that the State didn't feel that it had the expertise or the employees available to administer the program itself. That's an area that I think would still benefit for them to look forward to doing that. But contracted services, that made the cost quite high. We talked again to Governor McWherter and he was committed to doing something about that cost factor and therefore came up with subsidizing for those families with below $20,000 income.

The interest in the center is growing. They have an excellent program there, an excellent facility, and our employees are most appreciative of that opportunity. Indeed we are committed to seeing that be a success, and hopefully expanding it to other areas of the State.

Senator SASSER. How many children can this child care facility take care of?

Ms. MENKE. Seventy-two, I believe.

Senator SASSER. That's got to be a drop in the bucket if you've got 16,000 State employees.

Ms. MENKE. That's exactly right.

Senator SASSER. Do you view this as some sort of pilot project here?

Ms. MENKE. That's right.

Senator SASSER. What sort of support did you get out of the State legislature? Did they show much interest in the whole project or were they approached about it?

Ms. MENKE. They were not really involved.

Senator SASSER. Purely a decision of the executive branch to go forward with the beginning of the child care facility here for State employees.

Ms. MENKE. That's right, and committing resources to help with the funding of that.

Senator SASSER. That's great.

Let me ask you a couple of questions, Ms. Dunn. You've had your children both in private centers and in an employer-furnished center, correct.

Ms. DUNN. Yes.

Senator SASSER. I judge from your testimony that you view this child care center that is furnished by the employer as one of the most valuable incidents of your employment.

Ms. DUNN. Yes, sir. I could do without insurance or our lunchroom facility or a lot of things, just to have my children safe and close by where I can check on them if they're injured or anything.

Senator SASSER. I had the same experience in visiting a child care center operated by Baptist Hospital in Memphis for their nurses. There the nurses told me that they thought more of the child care center than they did an increase in pay or anything else, and they were more inclined to stay at that hospital because of the child care center provided for their children than any other incident of their employment there that they got except for the paycheck itself.

Ms. DUNN. Yes, I think the people that use our facility would agree with that.

Senator SASSER. Generally, those mothers who have their children in child care centers that are furnished by the employer indicate—and the employers indicate that there is less tardiness, much less absenteeism, higher morale on the part of the mothers, the mothers are overall better employees, and there's a reduced turnover. They tend to stay on the job year after year after year, many times even after the children have outgrown the child care center. The mother has been on the job so long she has an investment in retirement rights, et cetera, and she wants to stay there and move up through the corporate hierarchy. Given all those pluses, why

aren't more employers interested in child care centers for their employees?

Ms. DUNN. A lot of firms can't afford the initial start-up costs of a day care facility. My employer could. He got in there and he did it, and it is there for our use. He felt the benefits of the reduced tardiness and absenteeism and turnover would help more than the actual value of the day care for a profit-making center, which it's not. A lot of the smaller businesses that could contribute to a facility such as ours, which is available for other people's use, won't because if they've got 15 or 20 employees, they may have five people with children and it would be an unbalanced benefit to allow a few people assistance with their day care as opposed to the rest of their employees not having those additional funds.

Senator SASSER. In the operation at Permanent General Insurance, I assume the employee's have to pay for child care?

Ms. DUNN. Yes, sir, it's subsidized. We pay two-thirds of the actual estimated cost.

Senator SASSER. So this is an additional benefit that those with small children get that employees that do not have small children do not get.

Ms. DUNN. That's correct.

Senator SASSER. Does that cause any problems among the staff at Permanent General Insurance. Do they feel that mothers with small children are getting an extra stipend or an extra consideration that other employees do not get?

Ms. DUNN. Some of them may feel that way, but in general most of the people who don't have young children feel, "This is wonderful. I wish they had it when I was younger and had my kids." And of course, the younger ones that are coming up in the company, they know the day care will be available when they have their children.

Senator SASSER. So in your view it has not created a morale problem or any kind of dissension among employees having the child care center at your place of employment?

Ms. DUNN. No, sir, not much.

Senator SASSER. Do you have any numbers, Ms. Menke, that would indicate how many State employees might be in need of child care.

Ms. MENKE. The statistics that I would have would be in direct proportion to the statistics that are already available to you for the State of Tennessee. I knew that you were well aware of that, having seen the testimony before the Senate, so I wouldn't have anything other than that. I can tell you that in a survey done in the early part of 1987 with our membership, some 76 percent of those rated child care as being a top priority with them. I'm remembering that off the top of my head. Of course, it's even higher than that as far as an issue with the female membership than it is with the male membership, although it's certainly grown.

Senator SASSER. It's a growing concern with the male employees as well?

Ms. MENKE. Yes, it certainly is.

Senator SASSER. You've got 16,000 State employees in the Nashville area. What is the total number of State employees. I used to know. I've forgotten.

Ms. MENKE. There are some 36,000 State employees without including higher education employees, and there are some 23,000 higher education employees also.

Senator SASSER. I've often thought that we in the Federal Government and probably government in general are not setting a very good example with regard to concern about child care, because we have virtually no child care facilities in the Federal Government, except perhaps the military. I don't know what the situation is with State governments around the country, but I'm delighted that Governor McWherter has taken an interest in it here locally and we're getting a pilot program going here in Nashville.

Ms. MENKE. There are some 33 other States, I think, that are working on or have some plans or in fact are beginning to offer child care as a part of its benefits package. I don't know that many of those are as far along as Tennessee in having done some things. New York has been a state that has had a big interest in that particular area as has California.

When I mentioned earlier about Federal incentives to the State government to do some of these things, I think you're exactly right. The Federal Government needs to set an appropriate example. The State government needs to set an appropriate example, and private enterprise will then follow. I think we can see that in the area of education. The state has realized the importance of education to the overall economy and the overall quality of life for Tennesseans and have promoted that interest. Business has followed suit with the State in doing that.

I think the State, then, has recognized the issue of providing maternity leave and understanding the changing role in our society and setting an example for that. I think that then follows an increased interest by far from the business community in the issue of child care. The support has just ballooned in the last couple of years in that area. I think it's all part of our understanding that our society has changed. The family makeup has changed, and the importance that we must attend to our youth. All that as a whole, I think business is far more aware of that, and as the state and the Federal Government set appropriate examples, I think they're eager to follow them.

Senator SASSER. Well, it occurs to me that we do have some difficulty in government, certainly on a Federal level and perhaps on a State level also, in attracting and retaining the best and the brightest because government salaries generally do not compare favorably with those in the private sector of the economy. One way we could compete I think much better is providing child care facilities and that way attract and retain some of the employees that we're not attracting and certainly not retaining at the present time.

Ms. MENKE. I think that's absolutely true. Some mention was made earlier and I think we all have great interest in low income families. I think it's also important, though, to encourage the female segment of the population who have skills appropriate for management level positions and who may not be in a low income bracket but who have a great contribution that can be made to either State government, private industry or whatever it might be by providing the kinds of day care that can be done on site to allow them to make those contributions.

Senator SASSER. Thank you very much. I want to thank both of you for appearing here today. Your testimony has been very helpful.

Our next panel consists of Ms. Grace Brady who is a parent with a child at Bethlehem Center here in Nashville, Linda O'Neal, a parent with a child at the Belmont Weekday School, and Joyce Searcy, who is the Director of the Bethlehem Center, and Dr. Earline Kendall. Is Dr. Kendall here yet? Dr. Kendall is going to be delayed because she had to attend a Belmont College graduation.

I want to welcome you ladies and thank you for taking time out of your Saturday morning to join us here today. We'll begin with Ms. Joyce Searcy, the Director of the Bethlehem Center. I've had the pleasure of visiting that center and see what a great job you do there, so why don't we start out with you, Ms. Searcy.

## STATEMENT OF JOYCE ESPY SEARCY, DIRECTOR OF THE BETHLEHEM CENTER

Ms. SEARCY. Thank you. We appreciate the opportunity, Senator Sasser, to testify before the hearing today.

As you said, I am executive director of United Methodist Neighborhood Centers in Nashville. We provide day care in two locations—Bethlehem Center in North Nashville and at Wesley House in the Tony Sudekum and J.C. Napier Housing Project areas. At Bethlehem Center in North Nashville, we service an area that includes the John Henry Hale Housing Project, Andrew Jackson Housing Project, and Preston Taylor Housing Project. At the two locations, we serve a total of 179–180 children. One hundred and fifty of those are served through Title XX, and we have approximately 29 fee places. We are servicing 44 preschoolers at Wesley House, 62 preschoolers at Bethlehem Center, 57 after-schoolers at Bethlehem Center, and we also have 16 infants and toddlers in our family day homes attached to our license.

We also have another unique program that we offer at Bethlehem Center called Family Day Home Program. We have a person on our staff who helps develop family day homes in the Nashville area. This serves two purposes. One, it helps to develop more day care slots available for working parents in Nashville. At the same time, it takes someone who was formerly unemployed or in another service and trains them to become a quality care giver for parents in the North Nashville area. We think it's a most unique program.

We want to say that we are very interested in having you testify about the Act for Better Child Care bill because we know how much it's going to be able to meet the critical need for affordable, accessible, quality child care for low income parents.

I think you had asked about the sliding fee scale for parents. At Bethlehem Center, we have developed a sliding fee scale for parents, those who are not eligible for Title XX. We have 29 fee places. This fee scale is based upon a family of four earning $19,400 per year paying the full unit cost of $32 per week.

Senator SASSER. $32 per week.

Ms. SEARCY. $32 per week. This is the full unit cost. This is based upon the full unit cost.

Senator SASSER. You have a sliding scale that goes down.

Ms. SEARCY. Sliding scale fee, a family of four earning this $19,400. For up to $12,000 would pay $20.50 per week. A family of four earning $25,000 would pay $44 per week. Our costs have risen and our costs are now approximately $60 per week. So even at the top at that scale at about $25,000 for a family of four, we are still forced to try to raise additional money to subsidize day care so that our budget stays in the black. Our food costs have gone up. Our insurance costs have gone up. For example, our director's and offices' liability in prior years—this has been for the last 3-year period—our premium was $1,200 for a 3-year policy. This year our cost will be $1,800 per year, so the cost has gone up tremendously. Along with that, we tried to offer a meager increase in salaries. You can see how our costs are multiplied. So even for the families at the top of the scale, we are already subsidizing care; and since we service a low-income area, not many of our families can even afford to pay the top, the upper end of that scale.

I said that we had 150 slots. In this current budget year coming up July 1, the Title XX contracts which we are applying, once again, will allow an increase of 3.432 percent, I think—again, which is a meager increase and we're not meeting our costs. In that contract, we can be allowed to give our staff increases of 4.5 percent. If you subtract that 4.5 percent from the overall contractual increase of 3.432 percent, you see we're not able to do much. We are told what we can do is to increase our ceiling cost. If we at Bethlehem Center were to increase our ceiling cost up to the allowable amount, we would be cutting back 28 Title XX slots, and we know then that we are going to reduce the number of children that we will be able to serve. We feel that it is our mission at Bethlehem Center to empower families to become independent.

We already have a waiting list of people for these Title XX slots, and if we reduce the number, again, it's going to become critical for some of our families. Many of our families are working parents, some of whom are qualified for these Title XX slots will try to get into our fee place slots until the Title XX slots open up. But what happens is they try to pay the weekly cost, but they are really unable to afford it, and we are forced to drop some of the parents from our program and then they are without child care. Then they have to stay home to take care of children. I think we are doing our country a real disservice to have people who could go to work but are unable to because of their unavailability or accessibility to quality, affordable care.

Even though Nashville employers are developing day care at the work place, we think that it would probably be a good system to begin a voucher system that would allow families with more flexibility to place their children in affordable facilities, provided assurance that these facilities provide quality care. Even combining any voucher system with encouraging child care systems with employers would, we think, increase access to affordable, accessible child care. For example, there are employers who provide child care on site for employees, but many of our parents who live in our area who are working at these places cannot afford the cost of the day care at the employer site.

Bethlehem Center operates its child care facilities in compliance with the Tennessee Department of Human Services standards for

day care, and we are monitored for our compliance. Operating under the Federal Government standards, we think would not be a change for us. However, we realize that there are some States who do not have standards and monitoring them would become a problem. Perhaps the proposed law should include lead time or a phase-in period to allow States to comply. If States are going to be required to monitor for compliance, that takes a lot of planning and lead time. We have experienced some problems ourselves this year, for example. Usually the State audits agencies for compliance. That includes financial compliance as well as regulatory compliance on top of the other monitors that we already get. But because of recent cutbacks in State dollars, for example, we have not had a State audit that meets requirements for this year.

Normally, we have our own auditor, but we did not budget for it this year, because we knew that we would have our State audit. Because of the cutbacks in staff, we have not had that State audit this year, and it is now May, and we are almost into a new contractual year. You know for any grant proposals that you submit to anyone, you need to have those audits available. We received a letter just the other day saying that we would get our audit, but if we needed to go ahead and get an audit—which the cost for us would be approximately $2,600—we could go ahead and have it, but we would not be able to charge that against our contract. Again, those kinds of problems create problems for the State and it creates more problems for us.

The State does follow up and closes centers not in compliance with State standards. For example, the adult-child ratio for infants is 1-4. The ration for 3-year-olds is 1-10. The State has standards for equipment, health and safety. It is amazing to me that in the United States, we require licensing for plumbers but not for child care providers. Our values seem to be misplaced. However, many of the care givers, many of whom are in private homes, keep just below the number of children that they need to qualify to meet standards. These care givers do perform a valuable service, since there are not adequate slots available for child care. But we need to know who these individuals are and offer them training and information so that they are providing quality care. They should be required to at least register, perhaps, with the State.

We think that the bill would help to provide adequate salaries so that we could attract more people to the field of child care and would reduce the tremendous amount of turnover that we have.

We want to thank you for hearing our concerns regarding government support of better child care. We believe that the bill would help the States to begin to meet the critical need for affordable, accessible, quality child care.

Senator SASSER. Ms. Searcy, let me ask you something here about this whole question of child care and working mothers. In your testimony you touched on a subject that I've heard others refer to in times past, and that is the question of mothers who wish to work but because they cannot find affordable, available child care, do not work and access the various welfare programs, Aid for Dependent Children, et cetera, et cetera. Could you give some insight into that. Is that an accurate assessment that more mothers would work and come off of the welfare rolls if there was adequate child

care that they could afford, and do you find many mothers wishing to work who are now accessing the various welfare programs.

Ms. SEARCY. Yes; we do feel that more mothers would work, if quality child care and affordable child care were available. Mothers have to work. Most of the population that we serve, families we serve are single parent families. These mothers need to work or have some assistance with child care. So if they are receiving public assistance and are qualified for Title XX, again, those slots are limited. Now, if the mother goes to work, as soon as she begins to work, especially for families who live in our public service area, which is the housing projects—her rent will go up. There is a possibility that she will not qualify for medicare or medicaid. Then on top of that, we must begin to impose our fee structure. So then the amount of money that she has is less than she had before she started to work, and it seems like a waste of the human spirit, really, and a waste of the talent that we have available to put into the work place.

Senator SASSER. So the system is structured to some extent to discourage work.

Ms. SEARCY. Yes; it penalizes people for working.

Senator SASSER. Well, we're going to try to change that.

[The prepared statement of Joyce Espy Searcy follows:]

SENATE BUDGET COMMITTEE CHILD CARE FIELD HEARING
TESTIMONY OF JOYCE ESPY SEARCY
EXECUTIVE DIRECTOR, UNITED METHODIST NEIGHBORHOOD CENTERS
(BETHLEHEM CENTER AND WESLEY HOUSE)

May 7, 1988

THANK YOU, SENATOR SASSER. I APPRECIATE BEING GIVEN THE OPPORTUNITY TO TESTIFY AT THIS HEARING BEFORE YOU TODAY. AS YOU KNOW I AM EXECUTIVE DIRECTOR OF UNITED METHODIST NEIGHBORHOOD CENTERS IN NASHVILLE. AS YOU KNOW, WE PROVIDE DAY CARE AT TWO LOCATIONS: AT BETHLEHEM CENTER IN NORTH NASHVILLE WHERE WE SERVICE AN AREA THAT INCLUDES JOHN HENRY HALE, ANDREW JACKSON, AND PRESTON TAYLOR HOUSING PROJECTS, AND AT WESLEY HOUSE WHERE WE SERVE CHILDREN PRIMARILY FROM THE TONY SUDEKUM AND J.C. NAPIER HOUSING PROJECTS. SO FOR US IMPROVING ACCESS TO QUALITY CHILD CARE SERVICES, ESPECIALLY FOR THE LOW-INCOME, IS CRITICAL.

#1 REGARDING YOUR QUESTION CONCERNING SLIDING FEE SCALES AND/OR VOUCHERS: WE DO SERVE TITLE XX CLIENTS. HOWEVER, WE HAVE DEVELOPED A SLIDING FEE SCALE FOR PARENTS NOT ELIGIBLE FOR TITLE XX. THIS FEE SCALE IS BASED UPON A FAMILY OF 4 EARNING $19,400 PER YEAR PAYING THE FULL UNIT COST OF $32.00 PER WEEK. THUS A FAMILY OF 4 EARNING $12,000 PAYS $20.50 PER WEEK AND A FAMILY OF 4 EARNING $25,000 PAYS $44.00. SINCE THIS SCALE WAS DEVELOPED OUR COSTS HAVE RISEN TO APPROXIMATELY $60.00 PER WEEK, SO WE ARE ALREADY SUBSIDIZING CARE FOR THE FAMILIES AT THE TOP OF OUR SCALE. SINCE WE SERVICE A LOW-INCOME AREA, NOT MANY OF OUR FAMILIES CAN AFFORD FEES DESIGNED FOR THOSE ON THE UPPER END OF OUR SCALE. IF WE REDESIGNED THE SCALE TO ACTUALLY PAY FOR THE COST OF DAY CARE, MOST OF THOSE WE SERVE WOULD NOT BE ABLE TO PAY FOR THE CARE AT ALL.

THE VENDOR DAY CARE CEILING IS NOW $30.00 PER WEEK, BUT ONE

COULD NOT BOARD AN ANIMAL AT THIS COST FOR A WEEK, SO WE ARE FORCED TO SUBSIDIZE THE AMOUNT GIVEN BY THE STATE UNDER TITLE XX.

EVEN THOUGH MORE NASHVILLE EMPLOYERS ARE DEVELOPING DAY CARE AT THE WORK PLACE, THE FAMILIES WE SERVE CANNOT EVEN AFFORD TO PLACE THEIR CHILDREN THERE. I BELIEVE THAT A VOUCHER SYSTEM WOULD ALLOW FAMILIES MORE FLEXIBILITY TO PLACE THEIR CHILDREN IN AFFORDA FACILITIES, PROVIDED ASSURANCE THAT THESE FACILITIES PROVIDE QUALITY CARE. THIS, COMBINED WITH VOUCHERS FROM EMPLOYERS, WOULD INCREASE THE ACCESS TO AFFORDABLE, ACCESSIBLE, AND QUALITY CARE.

#2 BETHLEHEM CENTER OPERATES ITS CHILD CARE FACILITIES IN COMPLIANCE WITH THE TENNESSEE DEPARTMENT OF HUMAN SERVICES STANDARDS FOR DAY CARE, AND WE ARE MONITORED FOR COMPLIANCE. THUS, OPERATING UNDER THE FEDERAL GOVERNMENT STANDARDS WOULD NOT BE CHANGE FOR US. BUT THE STATES WILL BE ASKED TO MONITOR CENTERS FOR COMPLIANCE. SOME STATES DO NOT HAVE STANDARDS, AND MONITORING THEN, WOULD BECOME A PROBLEM. WE WOULD CLEARLY EXPERIENCE A DRAMATIC REDUCTION IN THE AMOUNT OF CARE AVAILABLE. PERHAPS THE PROPOSED LAW SHOULD INCLUDE LEAD TIME OR A PHASE-IN PERIOD TO ALLOW STATES TO BE ABLE TO COMPLY.

#3 THE STATE OF TENNESSEE NOW DOES FOLLOW-UP AND CLOSES CENTERS NOT IN COMPLIANCE WITH STATE STANDARDS. FOR EXAMPLE, THE ADULT-CHILD RATIO FOR INFANTS IS 1 TO 4. THE RATIO FOR 3 YEAR-OLDS IS 1 TO 10. THE STATE ALSO HAS STANDARDS FOR EQUIPMENT, HEALTH AND SAFETY, ETC. IT IS AMAZING TO ME THAT IN THE UNITED STATES, WE REQUIRE LICENSING FOR PLUMBERS BUT NOT FOR CHILD -CARE PROVIDERS. OUR VALUES SEEM MISPLACED. HOWEVER, MANY CARE-GIVERS, MOST OF WHOM ARE IN PRIVATE HOMES, KEEP JUST BELOW THE NUMBER OF CHILDREN THEY NEED TO QUALIFY TO MEET STANDARDS. THESE CARE-GIVERS DO PERFORM A VALUABLE SERVICE SINCE THERE ARE NOT ADEQUATE SLOTS AVAILABLE FOR

CHILD CARE, BUT WE NEED TO KNOW WHO THESE INDIVIDUALS ARE AND OFFER THEM TRAINING AND INFORMATION SO THAT THEY ARE PROVIDING QUALITY CARE. THEY SHOULD BE REQUIRED TO AT LEAST REGISTER WITH THE STATE.

#4 ADEQUATE SALARIES ARE A MUST. WITH ADEQUATE COMPENSATION AND BENEFITS WE COULD ATTRACT MORE PEOPLE AND REDUCE THE TREMENDOUS AMOUNT OF TURNOVER.

Senator SASSER. We'll hear next from Ms. Linda O'Neal, a parent with child at the Belmont Weekday School.

## STATEMENT OF LINDA O'NEAL, PARENT WITH A CHILD AT THE BELMONT WEEKDAY SCHOOL

Ms. O'NEAL. Good morning. I appreciate the opportunity to be here today and talk to you about child care in Nashville and in Tennessee.

My name is Linda O'Neal. My husband Michael and I have a 5-year-old daughter, Sarah, and she has been in child care since she was 5 weeks old, so we had some considerable experience trying to negotiate the child care system in Nashville. Child care is particularly difficult for an infant. There are far more needs for infant day care than there are resources available. We began looking for infant care long before Sarah was born and were fortunate to be able to make arrangements several weeks before her birth to place her in a family day home.

We were very comfortable with the family day home placement because it provided Sarah with consistent care from a single care giver. It's very important for infant development that they have that level of consistency. Unfortunately, in day care centers, too frequently they do not have that because of the turnover, and that's an issue I want to address in a few minutes.

After Sarah had been in the family day home for about 18 months, we began looking for a day care center for her when she became 2 years old. We were fortunate to be able to find a center and to be able to make a reservation months before we needed it for her when she became 2. A number of the centers that I investigated had such long waiting lists, that even if they had been my choice, we would not have been able to get her in there until months or years from that point in time.

In order to do the level of investigation to make an intelligent choice and to make a choice about a good day care center, it takes a considerable amount of time commitment. For many working parents, that's impossible. They don't have the flexibility in their job to be able to visit and check out different facilities in order to make arrangements for placement.

When Sarah was 2, we placed her in a day care center in order for her to have a level of structure and stimulation and learning opportunities and so forth that it would provide. She spent about 2½ years at the first center that we placed her. During the latter part of that time, we again began the process of looking for a new placement. We began that process because we experienced significant increases in costs accompanied by significant declines in quality. One of the cost increases, for example, at one point our day care went up $2 per week for every child in the center simply because of the increases in liability insurance.

The turnover in the center was the main reason that the quality had declined so much. There had been repeated turnover in the position of director, positions of teachers and care givers. When you have that level of turnover, you have a loss of the kind of leadership for programming for adequate consistency and stability in the center.

The salary levels in day care are major factors in the turnover that is really indement in this industry and a very serious problem for it. Too many of the staff in day care centers only receive minimum wage. Information provided through the Department of Human Services indicates that even the salary levels for directors, where there are also turnover problems, are inadequate to retain people very frequently, because they can get higher salaries in other areas.

So because of the problems we had experienced in that center, we again sought a new child care placement. We looked at the same factors that we had the first time, a qualified director, properly trained teachers and care givers, a sufficiently low adult-child ratio. We really looked for one that was lower than standards because standards of necessity are minimal. We also looked for a variety of activities to stimulate learning, circumstances that would put minimal pressure on children, and provide an adequate opportunity for both play and learning. We also looked for a warm, nurturing environment. That's something that's real important for children and it's something that in the late 1980's with all the fears of child care abuse and child sexual abuse, oftentimes staff are afraid to give children the level of warmth and physical involvement that they need. Children need hugs and pats on the back and that was something that we also looked for, and that's increasing hard to find because of fear levels that staff had in the centers, fears that things may be misinterpreted.

We were fortunate that some of the factors that are most important to some parents were not critical for us, the issues of cost, the hours, whether or not they provided lunch. Those weren't the important things. We were looking for the quality factors that I talked about earlier. Because our primary concern was quality, we selected a center that in many respects did not meet our needs in terms of hours or lunch being provided as well as some others. But because we're a two-parent family, we can make adjustments in one schedule or another to deal with hours, but that's not the same luxury that single-parent families have. They have real difficulties with the limited hours that are available in most day care centers.

While I have managed to fix lunches since Sarah has been in the center, I look forward to her going to kindergarten so I don't have to do that. However, moving on to kindergarten and elementary school is merely the next hurdle in the day care dilemma, as there is a need to provide adequate before and after school care. What do you do on snow days, holidays, in the summer? Sarah will never be a latch key kid, but many children do become latch key children because there are not ways for their parents to realistically cope with snow days, holidays and before and after school care. Our work hours don't coincide with school hours. Again, we're fortunate that the public schooling Sarah will attend has what I believe is a good before and after school and snow day and summer school program, and we've already made reservations, again months in advance, for her to attend before and after school programs. While we have been fortunate, for the most part, in our day care struggle, others have very serious difficulties.

I believe that it's essential that the Federal Government take a lead role in establishing a national child care policy. Such a policy

must address critical problems of adequate standards, licensing requirements, issues of cost, accessibility and availability. Those standards must focus on things such as staff qualifications and training, adult child ratios, life safety issues, providing appropriate kinds of discipline and supervision in day care centers, and at least minimal programming requirements. Not only do we license plumbers, as Ms. Searcy, said—perhaps plumbing is important—but we also license hairdressers and barbers and other kinds of professions that are not performing such really critical functions as caring for our younger children.

In addition to the leadership role in child care policy, I believe the Federal Government must also provide financial resources to improve the quality and availability of child care. The financial assistance has to include increasing availability of day care, especially for infants, handicapped and school age children. It has to assist in increasing staff salaries at the same time that costs are minimized for low income parents. In this State and many States we're making significant improvements in the salaries we pay for our public school teachers. We must not let the salaries we pay those who care for our youngest and most vulnerable children fall even farther behind those for the public school teachers.

Provision of affordable, adequate day care is essential for all working parents. Essentially, the public, the Federal Government must subsidize child care like it does education. It is too basic a need for the future of this country. It's particularly critical in any consideration of welfare reform and efforts to eliminate welfare dependency that there be assistance. In order for parents, particularly for single mothers, to escape welfare dependency, they have to have assistance with child care and other supportive services such as transportation and medical coverage, medicaid, or whatever, in order for them to be able to join the work force. I have some studies that indicate a significant percentage of AFDC mothers would go to work if there were these types of supportive services and there were jobs available.

Child care must be available for all working parents, regardless of their hours. Too frequently, child care is a 7 a.m. to 6 p.m. service, and many people have hours that don't coincide with those hours and the availability of child care is extremely difficult.

For me, the knowledge that Sarah is in a safe, quality environment while I'm at work frees my attention so I can focus on my work. I do not spend time worrying about Sarah and whether she's safe or whether someone is watching her. Consequently, I don't have unnecessary stress and the loss of productivity that there would be as a result of worrying about her situation. All parents deserve the same peace of mind that I have. Their employers deserve the added productivity that that peace of mind can bring.

I believe the Federal Government through passage of the Act for Better Child Care or certainly comparable legislation can move this Nation ahead and confront the child care crisis. You've got to look at a variety of ways to deal with costs and so forth, particularly for low income parents. There needs to be flexibility to deal with issues like on-site day care, to use sliding fees, to use vouchers. There needs to be encouragement for increasing numbers of employers to use cafeteria benefit plans so that employees can pay for

day care with pre-tax dollars. I'm fortunate that my employer does have such a plan, that I am able to pay for my day care with pre-tax dollars.

But a problem with this for many people, and particularly for people who have lower incomes, is that it creates cash flow problems. The parents have to pay the day care and it may be months later before they're reimbursed with their pre-tax dollars. Employers need to try to assist their employees to not have such a time delay, try to facilitate that process so that day care is more affordable.

I thank you, Senator Sasser, for your time, for your concern and for your attention. I think through your support and the support of other Members of Congress, support at the State level, all of us working together can solve the child care crisis in this country.

Senator SASSER. Thank you for a very thoughtful and thorough statement, Ms. O'Neal. I'm very impressed with the time and effort you've put into preparation.

Let me ask you just one question. You indicate that there's a significant percentage of mothers who are now receiving public assistance who would go to work if there were affordable child care facilities available. Has that been refined to a precise percentage to your knowledge.

Ms. O'NEAL. I do not have a precise figure, but I think that people who with low income families, that there is just a general awareness that the lack of resources and the lack of services—in fact, I've heard a number of people make testimony to that effect at the state level, to the legislature, that the lack of the supportive services, child care, transportation, the need for medical coverage, are the real barriers for them to be able to work. No one wants to survive on welfare benefits. The average AFDC family in Tennessee, which is a mother and two children, get $151 a month. That's not an incentive not to work. If they had child care and other kinds of resources, certainly they're going to go to work. It's very important for welfare reform that those support services be provided so that there can be very meaningful efforts to eliminate that kind of dependence.

Senator SASSER. Thank you. We've been joined now by Dr. Earline Kendall, the Dean of the School of Education at Belmont College. Before turning to you, Dr. Kendall, we're going to turn to Ms. Grace Brady, who has been waiting patiently, who has a child at the Bethlehem Center, and get her to tell us about her problems as a working parent seeking child care.

## STATEMENT OF GRACE BRADY, PARENT WITH A CHILD AT THE BETHLEHEM CENTER

Ms. BRADY. Thank you for letting me be here. I struggle through day care with three children, and as Ms. O'Neal touched on, I'm still struggling because two are now school age, and I will still be touching on that to some extent because I need to find some placement for them.

I started on day care before my children were born and I also had infant care in a private home. This is how I managed when they were infants. In order to find that, I got most of it from

friends. I just asked and took it upon myself and go and ask them. I managed to find time from work or days off to go and talk with persons or talked with them after work to see that they were the persons that I would be looking for in order to provide the services I was looking for.

I think it is very important that we have available infant care for working parents and care that provides as much of a replication of a home environment as possible, because that's what infants need, a loving environment and lots of stimulation to help them to start in the world as far as being able to learn and getting ready to learn.

I personally did not seek day care for my children until they were about 2 or 3 years of age because I was satisfied with being in a private home and thought that was providing proper stimulation and experiences as far as physical and mental development at that time. I did have to go on a waiting list for that. I did need to go and investigate the day care placement, and I have looked at and am looking at—one of the things that was a concern for me was cost.

When I first looked for day care for my first child, I was married and now I'm not. I'm on my own. As a single parent, I don't make the best salary, or whatever, and I do fall under the guidelines that most people consider minimum income as far as day care. I think right now being at the Bethlehem Center, it's helpful for me that they do have a sliding fee scale because otherwise it would be very difficult for me to put it into my budget at full scale. In talking with other parents, that is one of the main concerns they have as far as day care, day care that would provide that.

In talking with other parents, they have said that if they had to pay the full cost, especially if there is more than one child in day care at one point, then that would be a prohibitive cost for them and it would be better for them not to go to work because it takes too much by the time they pay for rent, groceries and other sorts of things.

In looking at standards for day care, I appreciate the fact that the government is looking—being able to make sure there are minimum standards. One of the difficulties I have with day care for my children, the youngest one anyway, is that I did decide to change from one place to another based on the fact of the turnover in staff. I did not feel that the preschool skills, emotional development, a loving environment and mental stimulation was being provided at that point.

Looking at providing training for the persons who care for our children I think would be something that should be encouraged. I don't know if you should make it a mandate, but I think that at least day care providers should be required to take just a minimum course or in-service that talks about general child development, what to expect at different ages, and how you can help that child to be able to do that, and not necessarily looking at providing the expensive kinds of equipment or facilities, but how you can just help the child.

My main concern is being able to talk with children, show them how to cooperate with each other, encouraging them to use the skills that they have and being able to explore the world and do

the things they are capable of doing. That's mostly what I looked for when I was trying to find a day care center that provides services for my children. That was really the cause factor.

Senator SASSER. Thank you very much.

We'll turn now to Dr. Earline Kendall. Dr. Kendall, we thank you very much for joining us here this morning. I know you had to rush over here from commencement exercises at Belmont College. We are definitely grateful for your presence. We look forward to hearing from you.

## STATEMENT OF DR. EARLINE KENDALL, DEAN OF THE SCHOOL OF EDUCATION AT BELMONT COLLEGE

Dr. KENDALL. Actually, I was glad to have to slip out. We were under a very hot sun. I appreciate your interest in child care and letting me come in late, and I appreciate your getting input from Tennesseans across the State. After I read what you had stated in the Congressional Record, I believe we can learn from you. So I'm not sure that I'll be adding anything that you don't already know.

I have brought with me some updated statistics from the State Office of Human Services, and I can give you the statistics you asked for a moment ago. Their figures show that 23 percent of the AFDC mothers who are not working report that they cannot find or cannot afford child care. I just happened to have the one you asked for.

Senator SASSER. That's good.

Dr. KENDALL. More than 15 years ago I testified before the Brademas/Mondale Select Committee on Children and Youth. My sense of deja vu today is strong.

Senator SASSER. It's not very encouraging to hear that you testified before Mondale and Brademas because both of them lost the next election.

Dr. KENDALL. Sorry I reminded you of that.

We're discussing the same problems and the too few solutions and the very high cost again. There is one major difference now and 15 years ago. The extent of the problem has escalated during that period, and in my opinion we have a crisis in child care in this country now.

At that time I was a young, idealistic director of child care who had closed the first franchised child care chain of centers. I had just closed a parent-supported non-profit center, and I had closed a church basement program that had both Federal support and State support. Each of these programs lacked sufficient support over a period of time to continue to provide services.

I am now an idealistic grandame of day care and I again hope that Congress is going to help us see that adequate funds are provided for our youngest and our most vulnerable citizens. If we can find those dollars, it will save us both other dollars and disgrace.

The central question before the Brademas/Mondale Committee and the central question today is how limited resources can best be used. My answer is for the working poor. Parents of young children are at the beginning of their working years when their salaries are at their very lowest. Single parents and their children are particularly at risk economically and educationally.

The Department of Human Services has updated Tennessee day care statistics this week. Licensed child care is not available for more than 80 percent of the infants and toddlers needing care in Tennessee. Licensed care serves only 55 percent of the children needing care from the ages of 3 to 5. Licensed care is provided for only 20 percent of our children aged 6–12.

Approximately 22 percent of Tennessee children under the age of 5 live in poverty. Out of 13,000 AFDC mothers not working, 23 percent report they cannot find or afford child care. Low income families would have to pay from 15 percent to as much as 60 percent of their annual income for child care, if and when it's available.

The cost of child care is directly related to the adult-child ratio and the salary of the provider. A child care budget is 75–80 percent personnel costs. The average cost of child care in Tennessee is $2,000 to $2,500 a year. Nationally, these figures are $3,000 to $4,000. Child care providers are woefully underpaid throughout the country. Turnover is substantial. Parents and children must adjust again and again to new providers. Staff training can't keep up with new trainees entering programs. Child care staff are often eligible for food stamps themselves. Even dedicated child care givers cannot remain long in a position that does not provide a salary sufficient for their own family.

Without substantial Federal and State assistance, child care will continue to be hazardous duty for children and their care givers. By the year 2000, the number of children using drugs and alcohol in our State will increase. The numbers of children having children will escalate. The number of at risk students in our schools will grow, unless we can do a really good job of providing both the preschool care and the after school care that's required. The cost of not providing assistance is too great. We cannot afford to wait.

Senator SASSER. Thank you very much, Dr. Kendall, for your views, and I'm delighted to see that you've not lost any of your idealistic energy, even though you have presided over the closing of three day care centers.

Let me ask you this question. I gather that you believe it's an important role for the Federal Government to take with regard to providing child care assistance. In that regard, do you have concerns about this bill putting the government into areas where it perhaps should not involve itself, being too intrusive with regard to the development of children.

Dr. KENDALL. No; I have no concern about that. I know there are others who do. For a long time, I thought we ought to keep public school out of day care, probably the government to the extent that I would advocate now, but I'm convinced that the day care problem is so pervasive in this country that we're going to need all the help of the Federal Government, the State government, churches, the Y, public schools, private providers. I don't see this bill excluding those people, and we're going to need all those people. I don't think that churches, I don't think certainly families can provide the costs of even good care—I don't mean great care—even good care costs.

Senator SASSER. I'm interested to hear you say that because that's the refrain for those who oppose this legislation or who are opposed to the various child care bills that are being discussed in Congress. The constant refrain is. "We don't want to see the Feder-

al Government get involved in the business of caring for children. That's not the proper role for government." Some seem to think that the government will impose unreasonable standards. We've got a lot of public education work, I think, to do for some folks out there, if we're going to be successful concerning the government in this overall role.

Ms. Searcy, as you know, some of the legislation pending in the Senate calls for minimum standards for child care licensing. Now, do you feel that the Federal Government would be interfering in child care by asking the States to implement minimum standards? Let me follow up on that and ask you, do you feel that such minimum standards as the Federal Government might apply would create any problems at the Bethlehem Center?

Ms. SEARCY. No; we already operate in compliance with the Tennessee State Department of Human Services standards for day care. We are monitored for compliance. Many times we at Bethlehem Center require more of our care givers in terms of training than is required by the State. I think the problem would be for States right now who have no standards for child care and trying to get those States to monitor for compliance. However, I do feel that we need compliance. Children are in their learning stages as soon as they are born, really, and providing standards that are going to meet their needs at such an early stage, I think, would save us some problems on the back end. We have to invest more in our children at this age. The vendor day care ceiling is now $30 per week, and this would not even board an animal for a week in most of your kennels. So I think we have to put our values somewhere else. I'm getting quite discouraged because I know, for example, we support our elderly people with social security, but the children that are now in day care will support us when we are older and we have to provide the kind of care to give them the skills that they will need to support those of us who will be older at a later point.

Senator SASSER. I got in a discussion with a gentleman in Memphis on this whole question about so-called licensing provisions, minimum standards, what the minimum standards should be, and he made the very valid point that many parents enroll their children in what we would describe as substandard facilities because that's all they can afford, and if we set standards that are too high and these facilities are closed down, then these parents are denied any access to a child care facility and the children would become essentially shut-ins or latchkey children or the parents quit working. What's the response of the panel to that argument?

Dr. KENDALL. This fall I have surveyed all 50 States relating to their child care standards, and this is the second time I surveyed them. About 6 or 7 years ago, I had done a similar survey. The discrepancies from one State to another is tremendous. Tennessee has had pretty good standards. I've served on the licensing standards committee and some of these other people likely have too. But it's very hard for States to set very bare minimum standards, just how many toilets you have, how many fire exits you have, how the fire inspector and health inspector rate your facility, more than anything else. The standards too often have nothing to do with the quality of care that the children get beyond minimum fire and health standards.

It seems to me that we're past due for the Federal Government to step in and at least say we've got a floor of quality, below which we won't let children be kept, because in some cases they are being kept in places that are not safe or have so many children in them that they are not safe.

Senator SASSER. Well, let me ask you this question. Why is it so hard for the States to set minimum standards? Just to play the devil's advocate, why should the Federal Government have to come in and set minimum standards that the States themselves refuse to set?

Dr. KENDALL. I think that if the Federal Government comes in with some funding along with standards, then the Federal Government can insist on some standards where the State has not been able to because the State has not provided that.

Senator SASSER. In other words, it uses a sort of carrot-and-stick approach.

Dr. KENDALL. Exactly.

Senator SASSER. And if the Federal Government is putting up the money, they've got a right to require certain standards. That's precisely the reason at least some sectors of the population oppose this bill.

Dr. KENDALL. I know.

Senator SASSER. They say if they're taking Federal money, they're going to have to come up to Federal standards, and they just don't want the Federal Government in this whole business of child care.

Dr. KENDALL. We're doing some abominable things with our kids, though, and we're going to have some abominable outcomes unless we have some better care for the kids.

Senator SASSER. We're already seeing the abominable outcomes. I spoke not too long ago at commencement exercises at a high school here at the State of Tennessee and was stunned to see the young women coming across the stage and a substantially shocking percentage of these young women were unmarried and pregnant; they were children having children, for goodness sakes.

Dr. KENDALL. And many of those kids have been left alone before and after school since they've been 6 or 7 years old. I don't know what else we would expect as a society. We know enough about child development to know that kids have to have some supervision and they have to have people who are knowledgeable about children to supervise them. Many of our kids are supervising other kids, and they're getting pregnant and they're getting on drugs. I think much of our teenage pregnancy problem is directly related to the fact that we're not providing adequate child care for our elementary and middle school children.

[Additional material supplied for the record by Dr. Kendall follows:]

**The Status of Tennessee Child Care**
May 1988

**NEED**

1. **The majority of Tennessee mothers work outside the home.**

   * Based on 1980 census data, 51% of Tennessee mothers with children under six are working; 63.4% of mothers of school agers are working.

   * By 1990, an estimated two-thirds of all Tennessee women will work outside the home.

   * In a 1983 national survey, 71% of employed mothers reported working out of economic necessity.

2. **The number of single parent and female-headed families in Tennessee has increased dramatically in the past 10 years.**

   * 1 out of every 6 Tennessee children now lives in a single parent family.

   * 16.3% of Tennessee families are now headed by a female with no husband.

   * Nationally about 50% of poor families with young children are female-headed households.

   * Only 10% of American families have two parents where the father works and the mother stays home and cares for the children.

3. **The demographics of the work force are changing, bringing more women into employment.**

   * The potential work force is beginning to decline with a shortage of available skilled males.

   * It is estimated that between now and 1995, 60-67% of the new entrants into the work force will be women.

   * Real family income has fallen since 1978 forcing more women in two-parent families into the work place.

Prepared by The Tennessee Department of Human Services, Day Care Services Unit, for the Select Joint Committee on Children and Youth, Tennessee General Assembly.

## AVAILABILITY

1. **Tennessee has a licensed child care slot for only one out of every five children needing care.**

ESTIMATED NUMBER OF CHILDREN NEEDING CHILD CARE AND RECEIVING LICENSED CARE BY AGE

| | Needing Child Care | | | Receiving Licensed Child Care | |
|---|---|---|---|---|---|
| 1987 Age | Population | Percent of Mothers Working | Estimated Number Needing Child Care | Estimated Number in Licensed Child Care December 1987 | Percent of Need Served |
| 1-15 mos. | 56,081 | 51.0% | 28,601 | 5,534 | 19.3% |
| 16-35 mos. | 163,929 | | 83,604 | 16,175 | 19.3% |
| 3-5 yrs. | 217,379 | | 110,863 | 61,935 | 55.9% |
| 6-12 yrs. | 491,579 | 63.4% | 311,661 | 22,773 | 7.3% |
| TOTAL | 928,968 | | 534,729 | 106,417 | 19.9% |

2. **Data indicates a critical shortage of child care slots for infants, toddlers, and school-age children with 58.2% of total slots filled by 3-5 year-olds.**

3. **Tennessee needs more full-time child care slots.**

   * Almost 50% of the 106,417 slots are in part-time programs which do not always meet the needs of working parents. (Nationally, 70% of working mothers work full-time.)

   * Part-time programs include: part-day/part-week nursery schools, preschools; licensed parent's day out programs; most Head Start Centers.

4. **Tennessee needs more child care for children with special/needs handicapping conditions whose parents work.**

   * The largest single provider of child care services to these children is Head Start. In 1986-87, Tennessee Head Start Centers served 1,400 children with professionally diagnosed handicaps. (16% of total enrollment).

   * In 1987, another 250-300 children with handicapping conditions were served in approximately 200 other public and private child care programs.

5. **Tennessee needs more child care in rural communities.**

   * 52.5% of licensed slots are in the four urban counties - Knox, Hamilton, Davidson, and Shelby.

6. **Tennessee needs more subsidized care for low income families.**

   * Approximately 22% of Tennessee children under 5, 80,356 children, live in poverty.

   * Currently DHS has approximately 6,000 subsidized child care slots to support low income mothers or parents while working or receiving employment training, and to serve protective service children. For the majority of these slots, eligible families are those earning less than 70% of state median income. Those between 56% and 70% pay a fee on a sliding fee scale. Protective service cases are served without regard to income. There are long waiting lists for these slots.

   * Of AFDC mothers not working, 23% report they cannot find and/or afford child care. (approximately 13,000 mothers)

   * Since 1981, Social Services Block Grant funds for child care have decreased 5.5%.

7. **Tennessee needs child care services for teen mothers to remain in school.**

   * In 1986, 4,466 babies were born to Tennessee teenagers.

   * Nationally, 80% of teen mothers drop out of school before graduation, many because of lack of child care.

   * Only six Tennessee high school child care programs which serve children of teen parents have been identified.

8. **The number of licensed child care facilities is increasing; however the supply is far short of the growing demand.**

   * Nationally, the number of licensed early childhood programs has grown 75% since 1977.

   * Tennessee shows an 18.8% gain in licensed programs between 1983 and 1987.

| Type of Facility | Number of Facilities Dec. 1983 | Dec. 1987 | Percent Change | Day Care Slots Dec. 1983 | Dec. 1987 | Percent Change |
|---|---|---|---|---|---|---|
| Center (13+ Children) | 1,281 | 1,570 | 22.6% | 77,113 | 100,622 | 30.5% |
| Group day Care homes (8-12 children) | 202 | 281 | 39.1% | 2,448 | 3,378 | 38.0% |
| Family day care homes (5-7 children) | 364 | 344 | -5.5% | 2,543 | 2,417 | -5.0% |
| Total | 1,847 | 2,195 | 18.8 % | 82,104 | 106,417 | 29.6% |

## COST/AFFORDABILITY

1. **The major determinants of the cost of child care are the age of the child and salaries of caregivers.**

   * Adult/child ratios vary by age of the child:

| | TN Ratios | National Medians | National Accreditation Ratios |
|---|---|---|---|
| infants | 1:5 | 1:4 | 1:3 to 1:4 |
| toddlers | 1:7 | 1:5 | 1:3 to 1:5 |
| 2's | 1:8 | 1:7 | 1:4 to 1:6 |
| 3's | 1:10 | 1:10 | 1:7 to 1:10 |
| 4's | 1:15 | 1:12 | 1:8 to 1:10 |
| 5's | 1:20 | | |
| 6 and above | 1:25 | | |

   * Salaries of staff constitute 50-80% of a child care budget.

2. **The average cost of child care in Tennessee is approximately $2,000 - $2,500 per year. ($3,000 - $4,000 per year nationally)**

   * A recent survey in Nashville shows a sampling of centers to have the following fee ranges:

| | Weekly | Annual |
|---|---|---|
| Infants | $56 - $80 | $2912 - $4160 |
| Toddlers | $49 - $66 | $2548 - $3432 |
| 3-5 year-olds | $46 - $58 | $2392 - $3016 |

3. **Many families cannot afford licensed child care meeting just minimal standards.**

   * According to economists, "affordable" child care costs for families with median income is roughly 10% of income.

   * At a cost of $2,000 per child per year, one parent working full time at minimum wage ($6,700 annual income) would pay 30% of income for one child, 60% of income for two children.

   * At the same rate, a single mother working at the median wage for that group ($6,400) would pay 31% of income one child; 62% for two.

   * A two parent family, both parents working full-time at minimum wage ($13,400 annual income), would pay 15% of income for one child; 30% for two.

4. **Most families cannot pay the full cost of quality child care. When caregivers are well trained and paid as little as $6.00 an hour, the cost exceeds what most families can pay.**

5. **Usually child care fees do not reflect the true cost of child care. Much child care is subsidized -- by churches, United Way, federal and/or state funds, employers, and most commonly, by 75% of the child care workers who continue to work for minimum wage or less.**

6. **The Dependent Care Tax credit provides a $3.4 B (1986) subsidy for middle and upper income families annually. Low income families benefit little from the credit because:**

   * Most low income families have little or no tax liability; therefore the tax credit is useless because it is not refundable.

   * Many low income families have informal care arrangements in the neighborhood, pay cash to providers who do not report the income, and therefore have no receipts for tax reporting and record keeping.

Data Sources: Tennessee Department of Human Services, Tennessee Children's Services Commission, Children's Defense Fund, U. S. Census Bureau, Child Care Action Campaign (Conference presenters), U.S. Department of Labor, National Association for the Education of Young Children

## Providers of Tennessee's Child Care

Tennessee has approximately 2,232 licensed child care facilities with 108,544 slots as of March 30, 1988.

* DHS licenses three categories of child care:

| | Programs | Slots |
|---|---|---|
| Family day care homes for 5-7 children | 360 | 2,515 |
| Group day care homes for 8-12 children | 285 | 3,431 |
| Day Care Centers for 13+ children | 1,587 | 102,598 |

* Care for four or fewer children is not regulated.

* While 29% of licensed facilities are family and group home settings, these 645 facilities represent only 5.5% of licensed slots.

* Almost 500 licensed programs are located in churches, most church-sponsored.

* More than 150 school age child care programs (almost 3,000 slots) are located in public school buildings: approximately 40 are school or parent-sponsored, 111 are privately sponsored (YMCA, YWCA, etc.), and 2 are sponsored by park/recreation departments.

* 313 private providers operate school-age care programs with 12,315 slots. Another 882 providers care for an unknown number of children before and after school.

* 135 programs are Head Start Centers.

* Only 6 programs in high schools to serve children of teen parents have been identified.

* Approximately 20 programs are on-site centers sponsored by employers, including the State Employee Child Care Center.

1987-88 Data, Department of Human Services
DHS will have more comprehensive information on sponsorship when the day care data system is completed in late 1988.

CHART OF TENNESSEE EMPLOYER SUPPORTED CHILD CARE

INDUSTRIES

| CHILD CARE OPTIONS | Health Care | Manufacturing and Industry | Colleges and Universities | Insurance Companies | Banking | High Tech | Misc | Government | Totals |
|---|---|---|---|---|---|---|---|---|---|
| On site child care center | 7 | 1 | 8 | 1 | 0 | 0 | 1 | 1 | 19 |
| Dependent care assistance plan | 1 | 6 | 1 | 1 | 0 | 0 | 1 | 0 | 10 |
| Vendor/voucher program | 4 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 8 |
| Parenting seminars | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2 |
| Information and referral | 3 | 2 | 0 | 4 | 2 | 9 | 1 | 4 | 25 |
| Reimbursement for sick care | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Near site child care center | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 2 |
| Contribution | 1 | 5 | 0 | 2 | 0 | 1 | 2 | 0 | 11 |
| On site sick bay program | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Summer camp for school age | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Child care directory | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 4 |
| Flexible benefits | 1 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 5 |
| Totals | 23 | 16 | 9 | 8 | 5 | 13 | 10 | 7 | 91 |

DHS 5/88

Most information compiled in January, 1987

1987-88

## TENNESSEE EMPLOYER SUPPORTED CHILD CARE OPTIONS

I. Day Care Centers (21)

Vanderbilt University
University of Tennessee - Chattanooga
State Technical Institute at Memphis
Tennessee State University - Downtown Campus
Chattanooga State Technical Community College
University of Tennessee - Knoxville (2)
University of Tennessee - Martin
Permanent General Agency
Opryland, U.S.A.
Fort Sanders Enterprises
University Medical Center - Lebanon
Williamson Medical Center
St. Thomas Hospital
Baptist Memorial Hospital
Memorial Hospital - Chattanooga
St. Mary's Medical Center
HCA Westside Hospital
HCA Parkview Hospital
State of Tennessee
*Lewisburg Project

II. Information and Referral (25+)

Allstate Insurance Company
First American Bank
Commerce Union Bank
Holiday Corporation
National Cash Register Company
Sverdrup Technology, Inc.
IBM International Business Machines
Martin-Marietta Corporation
Parkridge Hospital
Cumberland Medical Center
AFG Industries, Inc.
South Central Bell
Freeman Company
Comdata
Zerox
United States Social Security Office
United States Office of Personnel Management
United States General Accounting Office
United States Bureau of Government Debt
Shared Medical Systems
Progressive Insurance Company
Rohn and Hass Associates
Reliance Standard Insurance
Macro Micro Dot
Hewlett Packard Research

III. Dependent Care Assistance Plan (10)
Vanderbilt University
Prudential Insurance Company
Whittle Communications
Eastwood Hospital
CeCo, Incorporated
Tupperware
ALCOA - Aluminum Company of America
Tennessee Eastman Company
BASF Fibers
Mead Paper

IV. Contributions and Donations (11)
Prudential Insurance Company
Citi-Corp Insurance Services
Hotel/Motel Association of Tennessee
Whittle Communications
Aladdin Industries
Martin-Marietta Corporation
Hospital Corporation of America (HCA)
Wertham Foundations
Monsanto Chemical Company
Nissan Motor Manufacturing Corporation, USA
Jack Daniels Distillery

V. Flexible Benefits (5)
First Tennessee National Corporation
WTVF, Channel 5
State of Tennessee
Digital Equipment Corporation
St. Thomas Hospital, Inc

VI. Reimbursement (9)
Commerce Union Bank
Hotel/Motel Association of Tennessee
Whittle Communications
Northern Telecom, Incorporated
Hospital Corporation of America (HCA)
Williamson Medical Center
LeBonheur Children's Hospital
Parkridge Hospital
North Park Hospital

VII. Sick Care Program (3)
Laughlin Memorial Hospital
Methodist Medical Center of Oak Ridge
State of Tennessee

VIII. Directory of Child Care (4)
Martin-Marietta Energy Systems, Incorporated
Tennessee Eastman Company
Commerce Union Bank
Holiday Corporation

IX. Parenting Seminars (2)
Cumberland Medical Center
State of Tennessee

X. School-Age Summer Camp (1)
Tupperware

XI. Miscellaneous (1)
Jackson Madison County Hospital

*Lewisburg Project - List of Participants

Alford's Pharmacy
Alpha-Beta Society
American Safety Inc.
Big D. Aviation
Bulls, McGaugh and Floyd Funeral Home
Bugett Motor Company
Burke Building Supply
Cavalry Bank
Century 21
Chamber of Commerce
Childress Concrete Co.
City of Lewisburg
Coble Furniture Co.
Collins and Murrey Insurance
Cosmolab
Dairymen, Inc.
David Jant Realty
Dixie Foods
Easy Pay Tire Store
Faber Castill
First National Bank
Gladys & Jane's Shoppe
Griffin Cook & Sons Plumbing
Hamilton Standard Controls, Inc.
Harold's Reliable Furniture
Heil-Quaker Corporation
Home Supply Company
Jaycee
Kantus Corporation
Lambert Lumber Company
Ledford's Employee Exchange
Lewis Community Hospital
Lewisburg Auto Industry and Welding, Inc.
Lewisburg Music Club
Lewisburg Plumbing & Heating
Lions Club
Loudon Funeral Home
Marco Printing Company
Marshall County Court
Marshall County Educational System
McNutt Machineworks, Inc.
Mead Containers
Moon Pencil Company
National Bridle Shop
Peoples Union Bank
Phelps Clinic
Red Rose Garden Club
Roberts Chevrolet Oldsmobile
Russell's Vending Service
Sappington's Jewelry
Sharps Menswear
Southern Carton Company
Southern Hospitality
Sub-Debs
Sun-Drop Distributors
Teledyne
Tennessee Technical Coating Corp.
The Bill Derryberry Company
Truette Motors
Tuckers Auto Parts
Walker Die Casting
Wiles Motor Company
William Buckham Land Site Preparation

# THE COST-EFFECTIVENESS OF HIGH QUALITY EARLY CHILDHOOD PROGRAMS

## A report* for the

## 1982 SOUTHERN GOVERNORS' CONFERENCE
## Hilton Head Island, South Carolina

Center for the Study of
Public Policies for Young Children
HIGH/SCOPE EDUCATIONAL
RESEARCH FOUNDATION
600 North River Street
Ypsilanti, Michigan 48197
(313) 485-2000

High quality preschool education pays off for disadvantaged children in higher academic performance, lower delinquency rates, and better earnings prospects; it pays off for society in dollars and cents. These findings, from the High/Scope Foundation's Perry Preschool Study and from other studies, demonstrate that preschool not only prevents problems that eventually would cost society much more than a preschool program, but also increases the effectiveness and efficiency of the social investment already made in schooling. Budget-minded policymakers looking for hard evidence that a program works will certainly understand the implications for policymaking which this research supports.

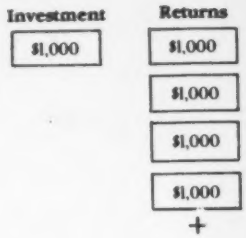
*This report was prepared by Carolyn Breedlove and Lawrence J. Schweinhart to supplement the presentation of David P. Weikart on July 26, 1982.

# PERRY PRESCHOOL PROGRAM: FOLLOW-UP THROUGH AGE 19

## Economic Findings

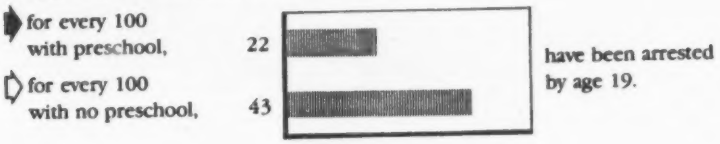
For every $1,000 that was invested in the preschool program, at least $4,130 (after inflation) has been or will be returned to society—better than the average rate of return to private investors.

Returns include reduced costs for education and legal processing for delinquent behavior, and increased lifetime earnings for participants. Other, future returns remain to be calculated.




## Delinquency Findings

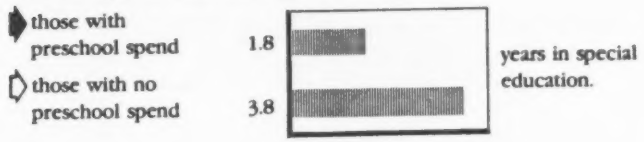
Among youngsters like those in the study,**

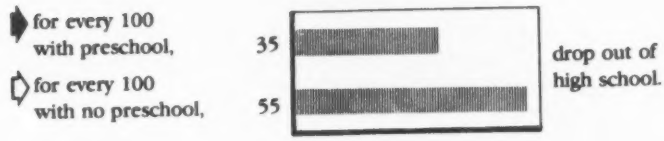


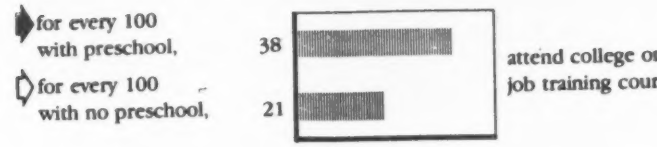

## Education Findings

Among youngsters like those in the study,

on average, for every 13 years of schooling (K-12),



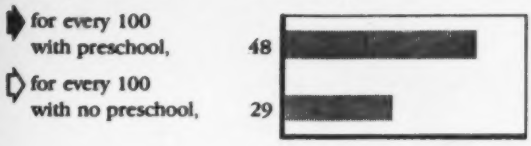



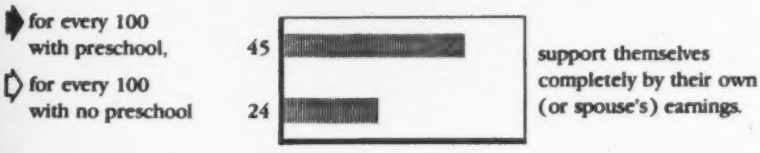




**For the purpose of clarity, some findings are presented in terms of number per 100, though actual group sizes are smaller and vary across items. All the findings presented are statistically significant, with a possibility of occurrence by chance of less than 1 in 20.

**Employment Findings**

Among youngsters like those in the study,





for every 100 with preschool,
45
for every 100 with no preschool
24
support themselves completely by their own (or spouse's) earnings.

**Study Design**

The study, which began in Ypsilanti, Michigan in 1962, is an examination of the lives of children who were born with the odds against them—poor, apparently destined for school failure, and black in a society in which discrimination was common. Of the families in the study, 50 percent received welfare assistance; 47 percent were single-parent families. Only 21 percent of the mothers and 11 percent of the fathers had graduated from high school. Thus, the families chosen for the study shared very similar social and economic characteristics.

The 123 children in the study were randomly assigned either to an experimental group who attended preschool or a comparison group who did not attend; these two groups were highly similar in the characteristics of children and families. Because of their background similarities, any differences between the groups thereafter could be attributed to the preschool program. The experimental group attended a high quality program in a preschool classroom for two-and-a-half hours five mornings a week and were visited at home with their mothers for one-and-a-half hours once a week, either for one school year at age four or two school years at ages three and four.

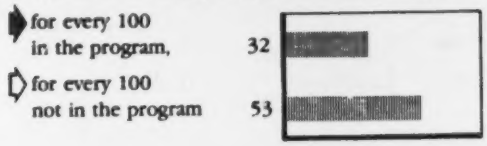
These young people have participated in the study continuously for two decades. A follow-up is now being planned for age 25, after they have begun to make significant life decisions about career and family. For further information about the study, see *Young Children Grow Up: The Effects of the Perry Preschool Program on Youths Through Age 15* by Lawrence J. Schweinhart and David P. Weikart (High/Scope Press, 600 North River Street, Ypsilanti, Michigan 48197, $8 prepaid).

**Other Research: Consortium Findings**

Research conducted by the Consortium for Longitudinal Studies provides strong evidence that a variety of early education programs can reduce disadvantaged children's need for special education classes or retention in grade. The Consortium is a group of 12 investigators who independently designed and implemented early childhood programs in the 1960s. In 1976 they pooled their original data and conducted a collaborative follow-up of the original participants in the studies.

Three experimentally designed studies, including the Perry Preschool Study, found that early education reduced the need for special education placement and retention in grade. The early childhood programs varied considerably: Susan Gray implemented a center-based program in the summer with home visits during the school year beginning at age four; Francis Palmer operated a

program of weekly two-hour meetings of teachers and individual children who were two and three years old. Among youngsters like those in these studies,




were placed in special education or retained in grade.

For further information on this collaborative study, see Lasting Effects of Early Education: A Report from the Consortium for Longitudinal Studies, *Monographs of the Society for Research in Child Development*, 1982, 47 (2-3, Serial No. 195).

## WHAT IS PROGRAM QUALITY?

Research on early education programs such as the Perry Preschool Project and Consortium Studies indicates that *high quality* is the key to the lasting effects reported here. Our interpretation of research and field experience suggests that an early childhood program of high quality has the following characteristics:

- ☑ It is well managed and monitored.
- ☑ Parents become partners with teachers in educating the child.
- ☑ Competent, committed teachers or caregivers plan and work together in teams to provide mutual support and individual attention to children.
- ☑ A high degree of adult-child interaction is essential.
- ☑ The program is organized around a specific curriculum or set of principles for learning.
- ☑ Teachers or caregivers are trained in the curriculum through ongoing inservice training.
- ☑ The program is regularly assessed to assure that goals for high quality are being met.

## WHAT CAN BE DONE?

Early childhood education programs are not now available to most disadvantaged children in the United States. For every child who attends the major federal program, Head Start, four go unserved. In light of the research, the reasonable goal is to make these high quality programs available to *all* disadvantaged children. Federal support alone is insufficient. Other sources of support must be developed in the public and private sectors in state and local areas.

You can play an invaluable role in developing ways to put early childhood education on the public agenda. Actions worth considering include:

- ☑ alerting opinion leaders to the major advantages to society of early childhood programs in lowering the need for tax expenditures for other programs;
- ☑ assembling groups of concerned citizens to discuss ways of making programs available;
- ☑ developing a consortium of state and local decision-makers, businesses, philanthropies, and other private concerns to establish mechanisms for supporting such programs cooperatively;
- ☑ exploring possible tax incentives to bolster support of preschool programs.

You can determine which of these actions are most appropriate in your state or locality. Your support is needed to make high quality early childhood programs a reality for all the children who need them. Your actions can ultimately influence the quality of life for all children and for society at large. Please act now. ■

Senator SASSER. Ms. O'Neal?

Ms. O'NEAL. I think one point that should be made is that the abominable outcome that you saw with those who graduated, only 50 percent of the teens who have babies graduate from high school. So in some respect you're seeing the success of the problem—of those who have the problem. I think that there have to be standards provided from the Federal level. I think that it's a legitimate concern because many children are now in unlicensed facilities. As indicated by the statistics that Dr. Kendall provided, there aren't enough licensed slots available to serve the children. Through the provision of technical assistance and financial resources from the Federal level, then perhaps several of those that are currently unlicensed will be upgraded and become licensed facilities, and there will also be the ability to expand the network so that there will be more quality services available. If there is also some kind of subsidy, particularly to help lower income people to afford quality day care, then there will be less need to rely on substandard facilities. I don't think most of these people are relying on substandard day care out of a choice based on quality. It's a choice based on necessity, and they don't have the resources to provide something more adequate.

These children are our future. We subsidize roads. We subsidize all other kinds of things that in many respects certainly aren't any more and probably aren't as critical to the future of national defense and national safety in this country as adequately caring for our children.

Senator SASSER. That's a good point. Let me just ask one final question here on the whole subject of sliding fee scales or issuing certificates or vouchers for child care services. What's your reaction to that, Ms. Searcy? You might have touched on that in your testimony.

Ms. SEARCY. As I said, we already have the sliding fee scale in place in our centers. However, at the top of the scale it does not meet the cost for us for providing care, so that we would have to subsidize it. I think, in addition, adding a voucher system to supplement that would be very good for parents. I think we need to do something to encourage employers to offer assistance in day care as part of an attraction for employees to work there, as well as the employer providing a voucher, an additional voucher. I think it would help very much.

Senator SASSER. Well, I want to thank all the members of our panel for coming here today and giving us the benefit of their views and their perceptions and their experiences. As I said at the outset, all the testimony taken here today, including your statements, will be compiled in the record of the Senate Budget Committee and this will be considered as we vote on the allocation of funding for various and sundry programs, and I'm confident that the testimony that we've developed here in Nashville today, in Chattanooga, and in Knoxville on the earlier occasions will provide a valuable insight to those members of the Senate staff and the Senators themselves who wish to determine just what the views are on child care in a border State in the South that's growing and experiencing a serious problem with caring for the children of working mothers.

I would say at the conclusion that I'm convinced that government participation in child care programs by way of subsidies or by way of setting standards is an idea whose time has come. This whole problem has reached a critical mass, to use a term that physicists use in nuclear physics. We've got to deal with a problem in which we have literally millions of children in this country not getting the kind of guidance and nurturing and support which they ought to be entitled to by virtue almost of being here in the United States. I think unless we deal with this problem, we're going to reap the whirlwind in the not-to-distant future. In fact, I think to some extent we already are. To those who say that this problem is there but we can't afford to deal with it, I would say we can't afford not to deal with it. When you look at a Federal budget which this year will amount to a trillion dollars, and we're talking about a bill here that will outlay $2.5 billion annually over 5 years, as I recall, you're talking about an infinitesimal percentage of the overall Federal budget. This may very well just be the beginning of dealing with the problem of child care.

We've got to recognize that our society is changing and has changed dramatically. The nuclear two-parent family with the father working and the mother staying home and caring for the children, that was the ideal of my childhood and that was the norm. But that's no longer the norm in this society. Even though we might wish that it was, we can't reverse what's happening. We can't reverse history, and we can't reverse time. We've got to deal with the future and the present as it is.

So I thank you for coming here today and giving us the benefit of your views. It's been very helpful. I declare these hearings adjourned.

[Whereupon at 12:10 p.m., the hearing was adjourned.]

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